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WEEKLY NEWSMAGAZINE

OCTOBER 26, 1998

**SPECIAL
ISSUE**

Why College Grads Get Jobs



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Why college grads get jobs

A generation, scared by recession and concerned about debt, is stampeding to colleges across the country. Straight out of high school or bearing a university degree, students are all looking for the same thing: a strong footing in the job market of the future.

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A southern longing

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Paul Martin may have posted the country's first federal budget surplus in nearly three decades, but his message is aimed at dampening the expectations of Canadians

From The Editor

Measuring the brain drain



The anecdotal evidence has been mounting for months: Two top students graduate from Queen's University medical school and move to key jobs in the United States, each pulling in a million-dollar bonus. A Canadian woman graduates from Wharton, a leading U.S. business school, and signs on with a major consulting firm for \$80,000. The sons and daughters of the Canadian Establishment must go off to Harvard, Princeton and Stanford, many of them landing choice jobs in Houston, New York City or Palo Alto, Calif. Now, two researchers have actually put numbers—and a cost—on what they call "Canadian human capital transfers"—aka the Brain Drain.

It is not a pretty story. It adds up to the loss of more than 35,000 professionals to the United States between 1968 and 1995. While the outflow is relatively modest when compared with the pool of Canadian graduates—about 11 per cent—the net loss in the 1990s has increased by 50 per cent, compared with the movement in the 1980s. And the cost of all this high-the-hill loss of doctors and nurses, scientists and engineers who left in 1993-1994 was more than \$400 million—enough to operate Simon Fraser University for 25 years. These big numbers often obscure what is happening in specific professions. The 1,000 nurses who left represented fully 46 per cent of their graduating class, the 2,700 engineers, 39 per cent, the 260 scientists and 339 doctors, 14.5 per cent.

The detail is part of a study released last week by the Toronto-based C. D. Howe Institute, and prepared by Don DeVries and Samuel Laryea of Simon Fraser's immigration research centre.



Graduation day: lined by big salaries, few taxes

"The brain drain," they conclude, "is real and costly." In their view, it has three main causes: Canada's high unemployment, heavy tax burden—and free trade. (They also could have mentioned better salaries, but that often is a function of the overweening role of U.S. resources and opportunity.)

The trade angle has to do with the fact that the 1994 North American Free Trade Agreement put an end to the linked U.S. practice of giving a green card to work at many occupations, including accounting, architecture, consulting, medicine, dentistry, economics, nursing and library science. Between 1980 and 1995, the number of Canadian professionals claiming temporary worker status under the agreement increased tenfold. Many of the people claiming that so-called T-12 status then stayed on as permanent immigrants.

"Clearly," write the authors, "a back door has appeared through which the brain drain can now flow to the United States." What can be done? Clearly no government will want to restrict the free flow of Canadians across the border in search of opportunity. Indeed, many younger people who take up jobs in the south end up back in Canada at later points. The creation of more and better jobs at home and the building of a sound economy are the vital steps that Ottawa and the provinces can take. So is training in fields such as high technology. But the move that will really make a paying money back into the pockets of Canadian graduates: Bend their laws, reduce the taxes.

Robert Lewis

Newsroom Notes:

The college team

This week's special report, written by Education Editor Robert Sheppard and Senior Writer O'Verly Jamieson, brings the pulse of a new generation of students. With a keen eye on the job market, they are rewriting this rule book on higher education, breaking down the barriers between colleges and universities. Says Assistant Managing Editor Ann Dowsett Johnston, who oversaw the package: "With student debt at an all-time high,



Jamieson, Dowsett Johnston, Faran, Sheppard, a guide for students

this generation waits no time consulting the data between education and the job market. Students are customizing their own educational paths—and increasingly, even for those with university degrees, their paths lead to college."

The college report is a sign of things to come. Last spring, Dowsett Johnston and Assistant Editor Sandra Faran sent a questionnaire to all colleges across Canada, soliciting their input for a new publication. Editors and designers have been working on The Maclean's Guide to Canadian Colleges. Due out in January, the guide will be a companion volume to The Maclean's Guide to Canadian Universities—and an asset to all those weighing their educational options.



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Being prepared

I read with interest "Planning your estate," where many things were suggested that would assist in securing the financial future of your loved ones (Cover, Oct. 12). It was interesting, however, to see no mention made of being able to help others by leaving a portion of one estate to charity. No profit organizations from coast to coast would welcome the opportunity to discuss how an estate gift could help them. If there is trouble knowing what to do with the family endowment, give it to your favorite charity. We would welcome it.

Allen Richioli,
Executive Director
Metropolitan Baptist Foundation,
Windsor, Ont.

As a life underwriter and financial planner, I take issue with your comments on the state of life insurance in the estate planning process.

You seem to suggest that the application of life insurance is inappropriate. Life insurance is an invaluable component in the financial and estate planning process, particularly in cases where there is a need for estate equalization. There was no mention of alternative products to life insurance in your article and until a better alternative comes along, what else can Canadians do to protect their estates? As the ancient life insurance remains one of the most cost-effective solutions, particularly when the proceeds can be paid out tax-free.

Michael Grahb,
Belleville, Ont.

Although your story on estate planning was informative, it was inaccurate in at least one respect. You quoted Toronto lawyer Michael Tyszkewski saying that when making a will, "people can be as cryptic as they wish."

While in British Columbia are subject to the

Will Variation Act, which provides that a person making a will has a duty to make adequate provision for the proper support and maintenance for a surviving spouse and children. The statute permits the court to vary a will that does not make this provision.

Doreen J. Taylor,
Dundas, B.C.

The politics of EI

In the article "Drop the money," federal Finance Minister Paul Martin blames the Progressive Conservative government for today's massive multi-billion-dollar surplus in the Employment Insurance account (Canada, Oct. 12). Leave it to this Liberal government to play fast and loose with the facts. Indeed, the Conservative party when in power did accept the recommendations of the auditor general to include the Employment Insurance account as part of the fiscal framework of the government. But this is not the cause of Martin's obscene theft from working Canadians today. The real reason is because Martin himself changed the act in 2003. He removed the provisions that limited the size of a surplus or deficit that the account could run. They had been in place to ensure such massive surplus would not happen without parliamentary approval.

This is what happened in the past two recessions when both Liberal and Conservative governments sought parliamentary approval to temporarily exceed these legislated limits. Only those who have television blame their predecessors for their own mistakes. Martin needs to stop worrying about his own political ambitions, make some tough decisions that they upset his cabinet colleagues, and truly put Canada's finances in order by cutting EI premiums and reducing the wasteful bureaucracy in Ottawa. But anything other than political expediency from a Liberal is too much to ask.

Bob Perkins,
Toronto

The Employment Insurance fund is built up in good times to supply Canadians with the money they need for food and other necessities when they're out of work. It seems obvious as a recession looms that that great money will be out of work. The auditor general who recommended inclusion of the Employment

Pyramid schemes

In response to Allan Fotheringham's column about the respectable women in Ottawa who were engaged in an illegal pyramid scheme ("Wily Sheridan: women don't trust men," Oct. 12), please allow me to observe that in Canada such a scheme is not illegal when the government runs it. In fact, it has been running since 1967, when it was implemented by the Liberal government. We all know it as the Canada Pension Plan.

Robert Anon
Bramford, Ont.

Insurance fund in general accounts obviously did not understand the nature of the political beast. The measure that reversing the action would affect foreign affairs of Canada's business is not said. Foreign financiers and investors can interpret balance sheets I no longer qualify for Employment Insurance benefits, but I don't want to see the fund robbed. A responsible cut in premiums, certainly. But any politician who even thinks of spending Employment Insurance "surplus" on political credit—as has already been done too often—instead of saving it for the next and positive's it's most for should be taxed and imprisoned. EI premiums are not just another tax, abusing this trust for political ends is an absolute disgrace. Is there a politician left in this country with brains and integrity?

Harvey L. McElroy,
Windsor

Appropriate care

I wish to respond to the suggestion by Janet IM. Enright in her letter to the editor (Sept. 21) that my husband, colleague Peter C. Newman, received preferential cardiac care based on any criterion other than his clinical status. The actual process from his first electrocardiogram to treadmill to angiogram to angioplasty surgery occurred over many months. This fact was glossed over in his column ("Facing death"—and a double deadline, Sept. 7) because Newman wanted to maintain some semblance of privacy on his health matters, while dealing with his arduous experience in a tongue-in-cheek manner. When the state of our health-care system evokes suspicion rather than sympathy for someone else's condition, we are in a sorry state indeed. This is an obvious warning call to reclaim our right to treatment, ensuring all patients have appropriate care in equally life-threatening situations.

Ally Newman,
Brimley Landing, B.C.

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THE MAIL. Reading problems

Why kids can't read? *Cover* (Sept. 7) also explains why Canadian adults can't read. Fifty per cent of adults in literacy classes have learning disabilities. By definition, people with learning disabilities have average to above-average intelligence. One in 10 Canadians struggles with dyslexia. Research proves dyslexia is neurobiologically based, making it both a hereditary and an educational issue. What science now knows about learning disabilities, brain development and language instruction must be incorporated into the training of all teachers. Early identification of LD is critical for cost-effective remediation and prevention of other social and health related issues that often develop as a result of poor literacy skills. Increased public awareness about signs and symptoms of LD, together with improved teacher preparation in language instruction with the use of new sensitive technologies and accommodations, will give the gift of reading to more Canadians.

Paul Gallagher
President, Literacy BC
and Focus Toronto
President, The International Dyslexia Association,
British Columbia Branch
Vancouver

You misinterpret the significance of the comment by Sally Shaywitz, a scientist in the department of pediatrics at Yale University, with dyslexic children by accepting her claim that she has proven that there is a neurological basis for reading disorders. Of course, there is. Everybody knows even without wasteful sophisticated magnetic resonance imagery that the brains of good and bad readers function differently. This is, however, a result (rather than a cause) of different ways of reading. Every thought, emotion, dream and impulse has a neurological basis. Shaywitz's experience is a regrettable misfortune in the progress of a war of the specialists of learning disabilities, who desperately try to show that they are not due to low intelligence and/or bad schooling.

Berni Klett
London, Ont.

As an educator practicing the Irlen Method and seeing success where no other method worked, I was disappointed that you did not mention it in your article. Worldwide research has shown that approximately 50 per cent of children with reading problems have Irlen Syndrome. Reading for these children is difficult, even impossible. It is a perceptual dysfunction that affects the way people read, and it can coexist with other learning

difficulties, dyslexia or attention deficit by personality disorder. Until now, it has baffled educators because it remains undetected by standard educational, visual and medical tests. Where Irlen Syndrome is the problem, it can be treated satisfactorily.

Sandra Fife
Peterborough, Ont.

There is a growing body of evidence, much of it at this point anecdotal, that the root cause of many cases of such relatively common maladies as hay fever, migraine headaches, asthma, thyroid disease and allergies may be found in maternal and other nutritional deficiencies. That our diets are generally deficient has been recognized since the mid-70s by no less than the U.S. Congress, and the condition has only worsened, because our emphasis on farming depletes rather than augments soil quality. This brings into question whether heredity is a factor in the above maladies, which genetics now believe may be caused by the same chromosome that is thought to be responsible for dyslexia. Any research into dyslexia etiology should be accompanied by an examination into, and supplementation of, nutritional needs, which research is increasingly showing cannot be met solely through the food we eat.

Richard Westbrook
Victoria

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THE MAIL The Information Age

Reading David Johnston's article, "Chal-
lenge of the highway" (*Essays on the*
Millennium, Oct. 12), I kept looking for the
word "public service announcement." His
lengthy version of how history unfolded
here is not the real reason why, after 1422,
Western Europe "began its trajectory, dra-
matically outpacing China and the world of
Islam in wealth creation and in political lib-
erty," superior weapons, science, slavery
and two new, recently depopulated conti-
nents to plunder. As for the future of the In-
ternets, it will be a handy way to send
e-mail and research, but I am not buy-
ing the hype. It will probably be no more im-
portant to the average person than televi-
sion, entertainment, bad conspiracy.

Brian Wall
Red Deer, Alta.

In "Challenge of the highway" David John-
ston says "The information highway should
be as affordable and relevant to Canadians
as the telephone and television are today,
with almost 90-per-cent penetration rates."

Given the quality of today's television pro-
gramming, the colossal irony of such a state-
ment would be amusing if it weren't so ter-
rifically sad. Here's a radical thought for our
house: Hire Mike Wallace, why don't we? Let
us stop taking heads out of our PCs and sit
television and realize the art of conversa-
tion? Or what about (gasp) reading a book?
Then he hits us with this: "But the crucial
next step is to help teachers evolve from
their role as content providers to coaches or
facilitators." Ye Gods, if my dog helps me,
the newspaper does that, make this a "con-
tent provider"? Presumably when did it be-
come acceptable for an educator to abdicate
the responsibility of reflecting the spirit and
intent of course materials? For the sake of
our precious children, I desperately wish ed-
ucators would cease this absurd practice of
pointing to gadgets that have absolutely
no history of success in that application.

Clara Doyle
Blanchard

The Road Ahead Cut waste and pay for real needs

Contributor Gordon Boen is right on in
calling the need for tax reforms to get
Canada's economy back on track and
bring down the unemployment rate ("Law-
er Taxes to encourage innovation," *The*
Road Ahead, Sept. 21). Fundamental tax
reform is essential, as is the reduction of
\$50 billion in government duplication and
waste. Ottawa has to reduce its overall bud-
get by a net 200,000 people, but include as
this a 50,000 increase in essential per-
sonnel in the scientific sector—those who
perform tests on drugs and food and forensic
services for the RCMP and other police
forces as well as the computer staff re-
quired to maintain the federal computers.
We need to substantially increase post and
border immigration police manpower,
rather than trying to solve our immigration
and drug trafficking problems in the
courts.

We certainly need to eliminate the mas-
sive government waste on aboriginal and
foreign affairs. Other major federal waste is
in the duplication of provincial maximums
such as agriculture, labor, forestry and an-
nual, plus unspent commissions and hid-
den agencies that have little use.

That could make \$90 billion available
for real government priorities. (1) Reduction
of the national debt (\$10 billion), (2)
restoring transfer payments to the
provinces for education and health care
(\$10 billion), and (3) decreasing the capital
deficit to the system to reduce personal and
corporate taxes to make them directly
competitive with those in the United
States, reduce the GST to five per cent and
increase the personal tax exemption (\$15

billion). Increased spending on defence—
the militia, troops and hardware, but no more
peacekeeping—unless through NATO—
would need \$5 billion. Higher spending on
national police—RCMP, ports, immigra-
tion and borders—would cost another
\$5 billion. And the last \$5 billion would go
to science and technology through
annual National Research Council and
university grants.

The federal government should be re-
duced in size to 10 ministries from the cur-
rent 30-plus, and the tax system should put
far more income back into the pockets of
Canadians and small businesses rather than
wasting it on a swollen bureaucracy.

A 15-per-cent entertainment tax replac-
ing the GST should be levied on all com-
mercial entertainment: movies, video
rentals and sales, live shows, sports and
monthly cable/satellite rentals. A film and
television distribution tax should be levied
on programs and feature films purchased
for broadcasting and showing in Canada.
Those two taxes could produce annual re-
venues of \$1.5 billion by year 2000—to be
used specifically for Canadian film and
television production.

Other spending or investment would be
limited to transit infrastructure, not high-
way funding. Provinces should be en-
couraged to build private toll roads, like
Ontario's QEW Transit, converting tolls to
shoulder tolls at 30 cents per vehicle in
operating funding, allowing them to provide
fast, reliable and reasonably priced ser-
vice between urban centres at just 12
per cent of the cost of highway subsidies.

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Anthony Wilson-Smith

Sitting out the Quebec election

There was once a time when Jean Chretien was arguably the most popular federalist politician in Quebec—and a good bet to eventually become premier. After Robert Bourassa resigned as leader of the Liberal Party following his defeat in the 1998 election, Chretien thought hard about running to succeed him. There were many good reasons for doing so.

With a referendum coming up, Chretien, with his common touch and emotion of optimism, appeared a strong bet to cash out Premier Jacques Lesage. Many federal and provincial Liberals thought so, and urged him to make the jump. Chretien, an ardent federalist, was suspicious of the constitutional stance of the other likely front-running candidate, Claude Ryan. As well, his own career appeared road-blocked in Ottawa: the party's tradition of alternating French and English leaders meant Chretien would be unlikely to replace Pierre Trudeau. But despite all that, as pressure eventually grew in federalist circles to bring in Ryan, a fresher face, Chretien somewhat reluctantly stepped on the sidelines.

More than two decades later, Quebec's future is still immovably tied to the state of provincial politics in Quebec—and the endless debate over the province's constitutional fate. With a Quebec election now certain this fall, the prime minister has a vested personal interest in the outcome. If Jean Charest's Liberals are elected, that will mean, at the time, no referendum for another four to five years, and a potential death blow for the aging sovereignty movement. But if the Parti Quebecois is re-elected, the whispers and doubts in Liberal circles about Chretien's leadership will start abating immediately. Outside the prime minister's immediate inner circle, it is hard to find anyone who is eager to see his old rival Premier Lesage Bocharon in an other ministerial role. The end result in 1995, a victory by less than one percentage point, was too close for anyone to want a replay.

That is the case despite the fact that most of the criticism of Chretien's performance in the 1995 referendum is unfair. No one has ever overtly explained what he should have done differently. The odds at his disposal were limited, and he understood that. He could not have made more generous constitutional offers to the province, because the rest of the country would not stand for it. In a last acknowledgment of his own unpopularity in Quebec, he kept his speeches during the campaign to a minimum. The decision to run a campaign based on economic arguments, rather than emotion, was based on polls, focus groups, and was largely dictated by the insistence of the provincial Liberals, who were at least potentially in charge of the campaign. They flat-out refused to approve any televised ads that mentioned Canada by name. And Bocharon,

was—and is—the most compelling orator in either official language in Canada, but few thought they were near Jacques Fournier would allow him to become the dominant Outside campaigner.

No matter. As Chretien knows, politics is a blood sport, in which any sign of weakness can become a fatal flaw. Dealing with Quebec is the Liberals' biggest blemish (along with the prime minister's curious leadership for making nice with foreign despots), and a PQ win would push that issue onto the front-burner again. At the same time, Chretien's disdained tradition of canon members from outside Quebec before and during the last referendum was the first point at

which many became aware of their insignificance. MPs from other provinces were told for the most part, to stay out of Quebec. Anyone wanting to make speeches related to the referendum was ordered to submit their texts to either the Prime Minister's Office or Chretien's Office for approval.

This strategy will not work a second time because too many people were too shocked by the narrow-thin result, and too angry that they were obliged to sit on their hands. And on this issue, the prime minister has both a potential solution and problem on his hands in Finance Minister Paul Martin. Alert or sleepless, the prime minister, he is the biggest name in the government. In Quebec, after Charest, he is easily the most popular federalist politician. While Charest and Chretien do not get along, Martin and Charest see things—on much as is possible for two men who sit opposite each other in the House of Commons. (When the Progressive Conservatives in 2003, Charest asked Martin as a personal favor to hire him as chancellor. Martin did so.) It is tempting for Liberals to want a successor who would embody the strengths of the present government, without its most glaring weaknesses.

But Martin, a vigorous supporter of the Meech Lake accord, would be too conciliatory to Quebec nationalists for many people. He has an explosive temper, and his political judgment on some issues, such as the surplus in income tax cuts, is suspect. That does not matter for now: everyone looks more attractive sitting on the right hand of the throne than they do when they finally reach it themselves.

The one event, of course, that can forestall Quebec problems for the prime minister would be a federal victory, which is quite possible. But Charest has already made clear that he does not want the federal Liberals involved in the campaign. Their presence would hurt more than help. As soon as the case in 1997, Chretien's future hangs in the balance, and events beyond his control will help decide it. For someone who grows himself on being a man of action, few things could be more frustrating than sitting on the sidelines.

Opening NOTES

Edited by JAMES DAVIES

A friendly farewell

The late Montreal city councillor, journalist and renowned broadcaster Nick Auf der Maer was famous for many things—including, as his longtime friend, former prime minister Brian Mulroney often remarked, "his complete absence of malice." So it was all the more fitting that a Montreal gathering last week in memory of Auf der Maer, who died earlier this year of cancer, featured several people who have had public differences in the past.

The occasion was the launch of a book called *Not A Montreal Life*, which features a selection of his past columns and tributes from friends (including Mulroney, Gordon Richards, Conrad Black and renowned cartoonist Terry (Uddu) Mosher of *The Gazette* newspaper). Proceeds from the book, published by Mulroney's Vehicule Press, are going to the Nick Auf der Maer Memorial Fund, a charity for cancer patients. At one point in the evening, the speakers on stage included Richler, Mosher and co-chairs of the charity, Auf der Maer's daughter, Nichou, who plays bass in the popular garage rock band Hale, and Mulroney. Both Richler and Mosher were frequent and savage critics of Mulroney's political and personal style



Melissa Auf der Maer (left) and Mulroney: unlikely friends joined in tribute

during his nine years in prime minister. But all three men greeted each other amiably, and a cheerful Mulroney was unfazed by his company. "One of Nick's great qualities," he said, "was the manner in which he brought together people who normally would never even be found in the same room with each other." Never mind the same position.

CAPITAL CONFIDENTIAL

In the growing controversy over the multi-billion dollar surplus in the Employment Insurance fund, Finance Minister Paul Martin is getting an unexpected break from several business groups. The Business Council on National Issues, the Canadian Chamber of Commerce and the Canadian Federation of Independent Business are all siding for EI premium cuts. But they have shifted their emphasis to personal income tax relief in next year's budget—which is also Martin's top priority. In fact, both the BCNI and the Chamber now favor income tax relief over EI premium cuts while the CFIB still gives the two options equal weight.

That Liberal strategists and business lobbyists are not so far apart in their policy preferences should come as no

surprise. After all, the BCNI is headed by Thomas d'Aquino, who was a special assistant to former prime minister Pierre Trudeau. CFIB president Catherine Swift, meanwhile, was a federal bureaucrat in the late 1970s and early '80s and was also a member, along with Martin, of an insider Liberal policy discussion circle known as the Grindstone Group. The Chamber's new president, Nancy Hughes

Anshary, an insider reformer, longtime senior Liberal bureaucrat. In fact, among the top three new lobbyists, only Steve Van Houten, president of the Alliance of Manufacturers & Exporters Canada, has no government or Grit credentials on his resume. And, as it happens, the Alliance stands alone among the main business groups in refusing to do a hard-line demand for EI premium cuts this fall.



Swift: from bureaucracy to business group

EMPORIUM

Although English is the most common language used on the Internet, 44 per cent of the 56 million Net surfers worldwide, or 25 million people, use a language other than English. How the rest break down by language, in percentages.

Spanish	24	French	10	Italian	4
Japanese	22	Chinese	6	Dutch	4
German	13	Swedish	4	Others	13

SOURCE: EUROSTAT/STATISTICS CANADA

GOLDFARB POLL

When 1,400 adult Canadians were asked how important it is to be highly educated, the majority of those 65 years and older decided it is only moderately or not at all important. Meanwhile, the majority of those who are more likely to either be in school or just graduated, feel it is very important. By percentage:

	Under 25	25-34	35-49	50-64	65+
Very important	56	30	33	40	38
Moderately important	34	49	46	42	40
Slightly important	13	16	16	9	11
Not important at all	0	2	3	4	11

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POP MOVIES

Pretty pagans

Hollywood headliners Nicole Kidman and Sandra Bullock team up as a couple of witches in the romantic comedy *Practical Magic*. Psychic sisters Sally (Bullock) and Gillian (Kidman) use some hocus pocus to break a family curse that dooms any man they fall in love with to an untimely death.

Top movies in Canada (all figures according to box office receipts during the week that ended on Oct. 25, all box-office numbers of nonweekend screenings)	1. <i>Armageddon</i> (12/25)	2,802,430
	2. <i>What Dreams May Come</i> (13/25)	\$1,482,470
	3. <i>Boys n the Girls</i> (12/25)	\$1,111,130
	4. <i>Angels in the Flesh</i> (12/25)	\$1,062,200
	5. <i>Men</i> (12/25)	\$852,500
	6. <i>Unholy Trysts</i> (12/25)	\$840,400
	7. <i>My Sister Sam</i> (12/25)	\$832,430
	8. <i>There's Something About Mary</i> (12/25)	\$710,040
	9. <i>One True King</i> (12/25)	\$610,040
	10. <i>Swing</i> (12/25)	\$555,130



Ben, now in 1988, fought celebrity

DOUBLE TAKE

Big Ben

"Courageous!" "Fast and furious!" "A lower leg exercise!" During *Big Ben's* 11-season career, sportswriters confidently reached for superlatives to describe the show jumper. But now, four years after a retirement tour that moved a legion of horse-lovers to tears, the huge chestnut gelding has traded the accolades and world equestrian stage for a quiet life of romping around his private paddock at Millar Breeder Farms in the western Ontario town of Perth. At the age of 22, the Belgian-born superhorse—which was sold at yearling for only \$2,000 because he was considered

unpromising and too high-bred—experienced it all: two World Cup championships and more than 40 grand prix and derby wins in premier show-jumping venues with his partner, his Miller, earning more than \$1.5 million. He is named in a eulogy following of fans who regularly and his former blood goodie—brown muffins. There has been hardship too, including two dramatic surgeries for killer colic.

By the time he made his last public appearance at the Toronto Royal Winter Fair in 1994, he was a bona fide celebrity. Thousands of people lined up for hours to have their picture taken with him. "A few years ago, actually, he was the supply of Polaroid film in Canada," says Miller, who co-owns Ben with a syndicate. "It was remarkable."

Newsday's Ben is ridden six days a week to keep him fit and happy. And he is still beloved by fans. "The place brings two million dollars a year," says Miller. "We try to lead visits to groups, but it's hard to say no. One woman asked to bring her sick, 86-year-old mother, whose last wish was to get 'Big Ben.' And once, for his April 30 birthday, another fan made him become a birthday cake with four leg halves.

BARBARA KROGER

BEST-SELLERS

FICTION

1. *The Love of a Good Woman* (Alice Munro) (1)
2. *8 Wonders in Bed* (Gail Anderson Dargatzis) (7)
3. *The Handmaid's Tale* (Margaret Atwood) (2)
4. *Bag of Bones* (Stephen King) (5)
5. *The White Room* (Stephen King) (9)
6. *Point of View* (Dorothy Parker) (1)
7. *I Know This Much Is True* (Ruth Saeed) (1)
8. *Between the Women* (Sara Maitland) (1)
9. *The Day of Love and Devotion* (David Almond) (1)
10. *A Minute in the Past* (John Irving) (1)

NONFICTION

1. *President Bill Clinton* (William Safire) (2)
2. *Intuition* (Sara David) (1)
3. *East and West* (Clara Falcato) (1)
4. *Deborah's Shadow* (Deborah's Shadow) (1)
5. *The Red Shoes* (Beverly Sussman) (1)
6. *The Green* (Julia Quinn) (1)
7. *Angels in the Flesh* (1)
8. *Who Killed Canadian Hero?* (J. L. Gosselin) (1)
9. *From the Heart* (Tina Turner) (1)
10. *Belong to Me* (Meredith Miller) (1)
11. *President Bill Clinton* (William Safire) (1)

Island of truth

In his latest novel, *The Island of the Blind* (Macmillan), Neil Gaiman describes a daughter's voyage of discovery. When Martin leaves her home in Montreal to return to his mother's island in the Caribbean, she discovers that the island is not what it seems.



Passages

DIED: Former Supreme Court of Canada chief justice Brian Dickson, 82, at his home outside Ottawa. Dickson, who lost a leg in Normandy while serving with the Royal Canadian Artillery in the Second



World War, was appointed to the Supreme Court in 1973, and was named chief justice in 1984. He steered the court through one of its most dramatic periods during the 1982 Charter of Rights and Freedoms for more than 100 legal judgments. Dickson stepped down in 1990.

DIED: Former chief of defence staff Gen. Thériault, 66, of cancer, in Victoria. Thériault started his military career as a pilot with the Royal Canadian Air Force in 1951. During his career, he flew a F-90 Sabre and was with the precision flying team called the Sky Lancers. In 1978, he was named deputy chief of defence staff, and five years later was promoted to chief. He retired in 1987.

AILING: Baseball great Joe DiMaggio, 83, in a Miami hospital, where he was admitted last week with pneumonia. A centre-fielder while 56-game hitting streak in 1941 (in total a record 36), DiMaggio was the American League's most valuable player three times.

DIED: Former wrestler Mario Boudreau, 65, of a stroke, in St-Sauveur. Quai du Québec's former minister, Boudreau created the provincial literary agency, L'Édition Québec, in 1971. Appointed to the Senate in 1990, he resigned four years later.

DIED: American police king Frank Baltimore, 83, in New Port Richey, Fla. Baltimore, who won the first Graceland Award for police in 1986, quit in 1997 after more than 60 years of performing.

DIED: Best-selling author *The Paper Moon* and animal rights pioneer Cleveland Amory, 81, in New York City.

SENTENCED: Former boy MP Carole Gosselin, 38, and her former riding partner Jean-Pierre Poirier, 43, to 60-day jail terms and \$10,000 fines for offences including in Montreal Jacques held the Montreal-Quebec riding of Mercer from 1984-1995.

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BY JOHN GEDDES

Finance Minister Paul Martin's cautiousness was clear in delivering his annual fall economic update. Douze hopes that much new spending is in the Works. Douze said the argument that Douze can afford a big reduction in employment insurance premiums.

Douzeplay the chances of a really pay, not me. What it came in the good news that Douze pointed to \$1.5-billion surplus in 1997-1998 fiscal year, the first in nearly three decades. Martin lauded the historic announcement in the middle of last Wednesday's speech to the House of Commons finance committee—sawtoothed between a grain tour of global "uncertainty and volatility" and a grim assessment of the "great care and coalition" required on the home front. "What he was attempting to do was to reduce the risk of a recession," Douze said, but also of his own backbench MPs, said Banks of Montreal's chief economist Tim O'Brien. "It was the appropriate message."

Such upping needs from Bay Street economists, however, are no longer the key to raising the success of a Martin performance. In the early days of the Liberal government, per suading those financial-market opinion shapers that he was deadily serious about balancing the books was often his core goal. With the deficit vanguarded, Martin will need to reassure markets that the government will be buckable. But now he must also elicit at least some response to the distressed voters itching him to loosen the purse strings versus the cost-conscious budgets in a row. Many rank-and-file Liberal MPs are also itching to see the government's tax cuts and drop cuts to transfer payments from Ottawa, are demanding more money to shore up universal health care. And taxpayers, who already shouldered the biggest burden of the deficit fight, are over the top for a break. So, despite his generally dished tone last week, Martin allowed that he is planning at least some tax cuts and new health spending in next year's budget. "We will do what we can," he said cautiously. "But we will only do what we can afford."

How much Ottawa really can afford is now the subject of a raging debate. Martin has clouded the waters by consistently underestimating the government's progress in cleaning up its books over the past few years. The \$2.5 billion surplus recorded for the fiscal year that ended last March 31, for example, made a mockery of the 1992-1993 budget's original estimate of a \$1.6-billion deficit for that year. And in just the first few months of the current 1994-1995 fiscal year, the government has pulled in a whopping 88 billion cents in revenue that it had spent. Fiscal department officials have not made it clear how much more may or may not be added. Still, even so, it's not like a Mormon Church or even Ted Turner's empire, the only major lender so far to predict a recession in 1995—says Ottawa is more or less broke even for the rest of the fiscal year, leaving an \$8-billion surplus in hand when the books for 1995-1996 are finally closed.

But the surplus jelling up this year, like last year's, is beyond the reach of would-be spenders and tax cutters. Federal accounting rules require those surpluses to go to paying down debt. And tax breaks

The bad news minister

Paul Martin tries to lower the country's expectations



or spending hikes must be budgeted for in advance—the government is not allowed to dip into money left over when the fiscal tables are made. So the key question now is how much fiscal maneuvering room Martin will admit he has to build higher spending and lower taxes into next year's budget, expected to be brought down in mid-February. The answer depends on how well Ottawa expects the coming performance. And that remains a guessing game. Martin offered no new official government projections in last week's update.

He did, however, make pointed references to the predictions of private sector economists. Martin noted that just a few months ago, some forecasters were estimating that if Greece offered nothing but the way of new spending or tax cuts, the government would have a \$20-billion surplus in 1999-2000. Global economic turmoil, however, has driven down expectations for economic growth so severely that these estimates need to be slashed to about \$5 billion, he said. Subtracting from that the \$3-billion "contingency reserve" that he has made a habit of building into his budgets as a hedge against unexpected economic bad news, and Martin figured he is left with a paltry \$2 billion—he has called for dividend—to play with in 1999-2000.

That at least is how he sketched out the numbers. "It is clear the dividend in the next two years will be modest, much less than would be required to provide sufficient funding for the size of initiatives, on taxes and spending, that many are calling for," he concluded. In fact, allocating just \$2 billion would leave the Liberals in a property of deeply disappointing many and pleasing few in next year's budget. (Quickly the committee's report over Employment Insurance alone, for example,

covid-crisis soak up that amount. The EI deduction now stands at \$2.70 for every \$100 a working Canadian earns up to \$1,033 a year. At that premium level, the system is pulling in so much more in revenues than it pays out in benefits that the program is expected to record a surplus of \$7 billion this year—a windfall that goes directly into general government revenues. Critics are demanding a premium cut in 1989 of at least 30 cents—which would trim \$2.1 billion out of EI revenues.

Martin ruled out anything of the sort. "There can be only very limited action, if any, in bringing down the EI rate for 1988," he said, "because we are determined to protect the finances of the nation." That blunt statement brought an angry response from Reform finance critic Monte Solberg. Martin's frequent sparring partner in the House on the EI issue. "What you are proposing to do is confiscate \$7 billion a year," Solberg said. "What you are proposing is to take it outright, take it out of the pockets of people who are at the lower end of the wage scale."

Martin insists that the charge that his approach to taxation hurts the least affluent. He is quick to point out that the 1986 budget included measures such as a new child tax benefit for low-income families and a \$500 increase in the amount low-income Canadians can earn tax-free. "Our last budget demonstrated very clearly that where we would start with any personal income tax cuts is in fact at the low end of the scale and that we would work up," Martin said.

By "work up," Martin is clearly signalling his intention to extend tax relief to more middle-income Canadians in 1996. He said that broadly based tax relief is "our key to raising the standard of living and increasing the disposable incomes for all Canadian families." Figures re-

based along with the economic upsurge, shows how fiscally sound families, along with corporate taxpayers, contributed to Martin's successful campaign to eliminate the deficit. Ottawa's tax revenues soared 31 per cent from when the Liberals took power five years ago, to \$154 billion last year from \$117 billion in 1994 (most of that increase reflects steady economic growth). By comparison, federal transfer payments to the provinces and to individuals through social programs fell in the same period by 10 per cent, to \$80 billion from \$92.5 billion. Ottawa's spending on all its other programs—from running the Canadian Forces to supporting the arts—dropped eight per cent to \$31 billion from just over \$34 billion

Exactly which issues Martin might choose to shove is hard to predict. Across-the-board cuts are costly. According to finance department calculations, an average \$300 reduction—not enough to guarantee the Liberals much political credit—would save \$1.45 billion out of federal reserves. A one-percentage point cut in each of the three federal tax rates—now 17 per cent, 26 per cent and 28 per cent—would cost Ottawa \$5.7 billion. These figures are daunting for the government—but the clamor of demands for cuts, which is now reaching a fever pitch, is not. The best bet to balance the budget has been largely on the back of taxpayers," Thomas d'Aquino, president and chief executive of the influential *Journal*, told the House finance committee. "These tax cuts will be left behind one of a host of tax cuts that in 1980,

How far Martin decides to go in cutting taxes, and boosting health spending, will depend largely on the state of the economy as his budget day next February. The update warned that Canada's export-driven economy is at risk. "Until recently, we've seen, and benefited from, several years of significant economic expansion around the world," he said. "Now, we are seeing globalisation's other face." Among other bad tidings he cited the steep 20-per-cent drop in world prices for commodities since they peaked in 2005, a plunge that has battered earnings from the natural resources that make up about 35 per cent of Canada's exports.

Just a day after Martin's bleak speech, though, things were looking up. In a surprise move, the U.S. Federal Reserve Board cut interest rates by a quarter percentage point, and the Bank of Canada followed suit the following morning. Stock markets bounced up on the prospect of easier credit, bolstering the North American economy from global turmoil. "For Canadians, it looks confidence two ways," said Bank of Montreal's O'Neill. "We get a taste benefit with the United States along with a domestic boost." Could it be that Martin's remarks to the speech, the nation's first, had his plenty of money left to suffer from the global economic crisis? "I think it's a very nice reminder who has turned by consistently managing expectations and their liquidity creating there—a view of optimism could be the most possible credit for someone not just a central bank," he said.



Grizzly and salmon: endangered

ederal provincial conference, once warring grounds, have gone off without huge hitches. And environmental groups have responded to Stewart's concerted effort to consult widely. "She seems consensus-driven, very open and inclusive, and she got everyone back to the table and talking," says Sarah Dover, campaign director of the Canadian Endangered Species Campaign. "But the good news and the bad news about this minister is she is a really nice person. And our fear is that we have yet to see her display the strength needed to push the tough measures required."

This grace period is coming to an end. The coming weeks and months should see environmental politics pushed back into view, and Stewart needs a win somewhere. With that in mind, Environment officials tell Maclean's she will announce legislative regulations by the end of October to limit the amount of sulphur in gasoline. The measures have been demanded by government health advisers—and resisted by an anxious petroleum industry that wants Ottawa to wait and harmonize its levels with soon-to-be-announced American standards. Then there are the contentious environmental protection law amendments. And Stewart has decided to push back to February from December plans to bring in a new bill to protect Canada's endangered species. A green Liberal wildlife protection bill also died on the order paper after furious provincial protests over what they deemed to be federal overreach on their turf.

If that is not enough, an international conference convenes next month in Buenos Aires to look at how countries will meet their Kyoto commitments to reduce emissions. Developing nations are expected to attack plans by industrialized countries to meet their targets by exporting clean energy technologies (such as CANDU reactors or natural gas in Canada's case)—and applying any reduced emissions to their own account. Expecting nations want the developed world to make the bulk of the reductions at home, which would undermine Canada's strategy to meet its target of reducing emissions to 1990 levels by 1996. Energy-producing provinces and industries will be watching to make sure Stewart doesn't give the Canadian green away in Argentina.

Stewart's strategy to meet its target of reducing emissions to 1990 levels by 1996. Energy-producing provinces and industries will be watching to make sure Stewart doesn't give the Canadian green away in Argentina. Another member of that Ottawa is still trapped between the economy and the environment in a high-stakes tag of war.



Stewart: a consensus effort to control industry

also in for a rough ride. Environment department officials insist the bill represents a fragile consensus among industry, environmental groups and provincial governments that could unravel if the MPs try to toughen it with amendments. But with one Liberal committee member sneering that the bill "looks like it was written by the chemical industry" changes will almost certainly be demanded. The battle to turn the new bill into law will also show whether Environment Minister Christine Stewart has honed any political skills in the past year. Stewart endures this pending test before the run-up to the United Nations conference on global climate change in Kyoto, Japan, where she struggled to defend her government's perpetually shifting position on how far it was willing to go to reduce carbon emissions.

As the issue heated from prime time, Stewart retreated, "led" and attempted to rebuild her reputation with the housing, other energy, interest groups that claim a stake in environmental policy.

Audible as in a once poisonous atmosphere seems to have lifted a bit. Perhaps most notably, Alberta Energy Minister Steve West—who is a member of the Canadian delegation in Kyoto—says the most vocal complaint about the threat of global warming and the role of fossil fuels as a leading issue in the 1997 election. And early signs are that the new version is

CANADA

Greener politics

Environmental issues return to the forefront

As a well-documented with photographs and political cartoons, pride of place in Liberal MP Charles Caccia's Parliament Hill office goes to a framed certificate signed by Prime Minister Jean Chrétien and his cabinet. Called *Twining Yule into Action*, the 1995 document is a pledge by the Liberals to apply environmental sound principles to everything they do. "All they used to follow is right in there, in their own words," says Caccia, who as chairman of the House of Commons environment committee has been a persistent critic of what he sees as his party's failure to make government greener. "But there is a mandate in Ottawa that the economy and environment are not competitors," says Caccia, "and which argues the interests of one must always be balanced against the other." The Liberals have to realize, he adds, "that our long-term economic health depends on making sure the environment is healthy, too."

Caccia's views would be only as much talk were it not for the Toronto MP's special role in formulating federal environmental policy. He was environment minister in the last year of the Trudeau government, and today his committee is a rarity in Ottawa: an arm of Parliament as busy and independent-minded as the chairman who gives it its cues. Early next month, it will begin hearings into Ottawa's second attempt to overhaul Canada's environmental protection law. The last attempt met with enormous opposition from industry and other government departments before dying on the order paper prior to the 1993 election. And early signs are that the new version is

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AIR FRANCE

WINNING THE HEARTS OF THE WORLD

Dangerous deliveries

Philip Services Corp. is again under the gun

Many residents of Stoney Creek, Ont., were lately opposed to the idea of a non-hazardous industrial waste dump in their municipality. And since it opened two years ago, the Taro East site, built close to the cracked bedrock of southern Ontario's ecologically sensitive Niagara Escarpment and owned by financially troubled Philip Services Corp. of Hamilton, has remained the object of local anger. Last week, people at the city of 54,000, 70 km southwest of Toronto learned that Taro East, which is meant to be the proposed site of a 2,200-ton hazardous waste dump, has been the destination for allegedly hazardous waste from a treatment plant in Detroit. The material, known as filter cake, as transported in 30-ton trucks past the Sarnia area, where it used to be dumped in Ontario's only designated hazardous waste landfill, to two transfer stations in Hamilton—and then on to Taro East.

Over the last year, Philip has endured a string of setbacks: a copper-trading scandal, continuously mounted lawsuits, several class action suits from U.S. insurers and a drop in stock prices from \$28 to less than 90 cents (last week, for the second time in five months, the company again replaced its chief executive). Faced with the latest controversy, Philip spokesmen claimed the filter cake—a byproduct of a metal finishing process called electroplating—was safely placed in non-hazardous waste landfills because it has been treated and stabilized. But Dan Dettley, an environmental engineer with Michigan's Department of Environmental Quality, which monitors shipments from Philip's Cayuga plant in Detroit, said this filter cake should not be allowed in anything but a hazardous waste dump. "In the U.S. it is treated, but any land disposal unit it's treated," said Dettley, "and then it has to go to a hazardous waste landfill."

The controversy has clearly caught Ontario's environment ministry off guard. On Sept. 20, when Michael J. Cook, Ontario's minister of the environment, visited Stoney Creek, the ministry's district supervisor in Hamilton, with Michigan monitors revealing the contents of the shipments, Slater said he was "shocked" and immediately

ordered an investigation into Philip's waste disposal practices. A week later, the ministry told Philip to stop processing the filter cake, saying the company was violating the provincial Environmental Protection Act. Philip readily complied, though it insisted the waste was being properly handled by "a chemical fixation process" which renders it harmless, according to Mfr. Johnson, Philip's senior vice president of regulatory affairs. That response was not good enough for Tim Sklaris, the

2065 data, and maintained the province has made significant strides since then.

But Michelle Swenarsch, legal counsel for the Canadian Environmental Law Association, is skeptical of such claims. The Taro East story, she says, may be only "the tip of the iceberg. How many others are like this? It demonstrates that you need the scrutiny of citizens, because the ministry doesn't have the will to enforce its laws." In the case of Taro East, the citizen scrutiny came from two Hamilton-area men—former Philip employee Michael Wilson and investigative journalist Paul Polanco—who, acting on a tip from truck drivers, went to Michigan looking for evidence that hazardous waste was being dumped in Stoney Creek. What they found were shipping manifests indicating that filter cake was being transported over the border, registered as treatable hazardous wastes on Canadian manifests.

Other problems related to the Taro East dump also continue to dog Philip. The com-



The Taro East site. Sklaris (right) believes waste from the U.S. is being dumped here.



They MPP for Westworth North, who, in a news conference with concerned citizens last week, declared it was lucky for the Americans to have lost the Battle of Stoney Creek in 1812. "If they had won," Sklaris said, "where would they send their hazardous waste? Is the States they could do it?"

The latest disclosures about Philip's dumping practices come at an embarrassing time for the Ontario government. Earlier this month, the Commission for Environmental Cooperation—a watchdog body established under the North American Free Trade Agreement—designated Ontario as the third largest source of pollutants in the United States and Canada—behind only Texas and Louisiana. The environmental ministry dismissed the declaration as being three-year-old news because it is based on

page, which successfully lobbied the government to suspend the site without an environmental assessment hearing, is now trying to merge on its 1995 promise to build a \$40-million plant to treat liquid chemicals seeping out of the dump. Earlier this month, Philip offered to buy the Region of Hamilton

Westworth \$1 million worth of remediation equipment to excavate itself from its corner lot. According to Brad Clark, head of SCRAP—Stoney Creek Residents Against Pollution—Taro East should be closed temporarily and a full-scale investigation including "deep-core sampling to verify what exactly has been landfilled here." The government has promised a thorough investigation—and for many Stoney Creek residents, that is not cause for much cheer.

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On shaky ground

Shortly after Nova Scotia's Liberals suffered a stunning setback in last March's provincial election—dropping from 59 to 19 seats, just one more than the insurgent NDP—Premier Russell MacLellan called reporters into his office. Displaying his trademark optimism, the premier expressed excitement at the prospect of leading Nova Scotia's first-ever minority government. "We going to have a great time," he predicted. But seven months later, MacLellan's grand adventure appears headed off the rails. As the provincial legislature began its fall session last week, the Liberals drew opposition fire for everything from mismanaging the province's finances to copping up to corporate taxes like New Brunswick's living heavily. "None of us expected the Liberals to stumble so badly, so quickly," Conservative leader John Horgan told *Monie's*. Added NDP leader Robert Chisholm: "We feel this government is incompetent and utterly incapable of taking this province into the future."

The backdrop of Nova Scotia's fractured legislature: they could also prove fatal to the Liberals' hopes of staying in office. With 14 seats, Horgan's Tories hold the balance of power. Until recently, the former faculty physician appeared content to keep the Liberals on political life-support. But that all changed on Sept. 30 when provincial finance minister Don Dowse released first-quarter fiscal estimates showing the premier already headed towards an \$81.8-million deficit—a far cry from the slim \$1.2-million surplus projected in last spring's post-election budget. "The numbers back it all for the Liberals, who campaigned almost solely on the promise of a balanced budget, and who later secured the support of the Tories by vowing to fulfill that pledge. 'As far as I'm concerned, this government is on notice,'" Horgan said last week. "We will not be supporting

MacLellan: a government living off its fat-run-up to next spring's budget



them if they don't deliver what they said they'd deliver."

Few political observers expect the government to be defeated during the current session. For one thing, the most recent public opinion poll provides Horgan with little incentive for triggering an immediate election. It shows the Tories with only 25 per cent support among decided voters compared to 34 per cent for the Liberals and 38 per cent for the NDP. Instead, the tall sentence is more likely to serve as a run-up to the real showdown: the tabling of a 2001 spring budget. The NDP—a marginal force in Nova Scotia politics prior to the election—will hammer away at the province's fiscal situation, which it believes is even bleaker than the Liberals are letting on.

Chisholm and his colleagues also hope to portray the Liberals as a government incapable of leading the NDP recently got out a series of legislative initiatives—including measures to bolster health care and provide tax relief for low-income Nova Scotians—and invited the Liberals and the Tories to endorse them. Explains Chisholm: "It's just not good enough to sit in the words and take

shots at the government without providing constructive alternatives."

Not that the opposition parties are lacking for political ammunition. One hot-button issue is the government's handling of a long-promised \$100-million permanent casino on the Halifax waterfront. ITT Sheraton, which owns the existing temporary casino in Halifax and a second one in Sydney, had been leaning on the government to relax gaming regulations. After the company abruptly halted construction on the waterfront facility this summer, the Liberals obliged by announcing that provincial casinos could now also open 24 hours rather than 14, that free alcohol could be served to high rollers, and that casino operators could provide credit to out-of-province players.

The concessions led the opposition parties to accuse the Liberals of caving in to corporate interests. Countering the controversy is a five-month-long probe by the province's public accounts committee into claims by former Nova Scotia gaming chairman Ralph Fiske that the premier's office, under both MacLellan and his predecessor, John Savage, politically interfered

in earlier negotiations with ITT Sheraton. Last week, MacLellan finally agreed to appear before the committee in early November to respond to the allegations—but only after being threatened with a subpoena if he refused to do so.

The Liberals are also under fire for agreeing in early October to \$50 million worth of loan guarantees to a 100-ft shipyard, owned by J.D. Irving Ltd., to build offshore oil and gas supply ships. Opposition has focused on the way the deal was reached—following a private phone call from James D. Irving to MacLellan last New Year's Eve—and the fact that other Nova Scotia shipping companies were not extended similar government backing. Leonard Freym, a political scientist at Saint Mary's University in Halifax, says the string of controversies has reinforced public concerns that the Liberals are not up to the task of governing. "MacLellan," adds Freym, "has to take responsibility for the perception that the government is stumbling. He hasn't been able to inspire confidence." Unless such impressions quickly change, even MacLellan's personal optimism may not be enough to preserve the Liberals' fragile hold on power.

BRAND REISMAN in Halifax

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Canada NOTES

GROUNDING—AGAIN

A fast look in one of the Canadian Forces' 38 Sea King helicopters prompted the military to ground the entire fleet. The action came only two weeks after the fatal crash of a Labrador helicopter led the Forces to order the same preventive measure for 12 remaining Liberators. The two decisions have put in jeopardy what in Canada's search-and-rescue capabilities, but spokeswoman said both fleets will be available for emergencies.

CMA HEAD GUILTY

Yukon Supreme Court Justice Ralph Harrison lifted a publication ban in a case involving Dr. Alan Redlick, the new president of the Canadian Medical Association. In August, the Yukon Medical Council found the Whitehorse physician guilty of professional misconduct in the case of a 16-year-old girl who died of leukemia while under his care. At the CMA's annual convention in September, Redlick, who has appealed the medical council's decision, openly acknowledged that his reputation was under a cloud, but was still elected president.

ANOTHER OILPATCH BOMB

A home-made bomb exploded at a remote gas well 580 km northwest of Edmonton, injuring three, but causing extensive damage. It was the latest in a two-year-old string of more than 180 acts of vandalism against oil and gas and forestry company property in Alberta, apparently motivated by concerns that industrial activity is polluting land and endangering bison herds.

STILL FASTER THAN A CAR

Disgraced sprinter Ben Johnson, 38, barred for life from international track competition for taking performance-enhancing steroids, lost to two horses in a race at Chateaufort-on-Notre-Dame last week. The event raised \$7,000 for the Children's Wish Foundation.

THE HIGH COST OF JUSTICE

Healthcare critics in British Columbia involved in a class action lawsuit against the federal government have been asked by their lawyers to agree to pay them up to a third of any settlement. Jimmy Smith, president of the Health Care Society of Canada, called the proposed fees excessive, and Health Minister Allan Rock said contingency fees should not be allowed.



Protesters leaving the AFPC hearings; another strange twist

An uncertain future

In the end, the answer was no. Under pressure to provide legal funding to student protesters at public hearings into security at last November's Vancouver AFPC summit, Solicitor General Andy Scott finally responded: In a letter to Gerald Morin, chairman of the RCMP Public Complaints Commission panel overseeing the hearings, Scott refused to cover the protesters' costs, but indicated that the commission could use its own funds for that purpose. The students and their lawyers, who had

argued. Among other things, Milovick had discussed how to "tell" the story, and referred to the student's lawsuit as "James vs. The Forces of Darkness." When contacted by *Maclean's*, Milovick would not comment, saying only "there are complex issues involved." But Jim Byrd, a CIBC vice-president, said Milovick was taken off the story because of "concerns about the propaganda." The CBC, he said, is conducting an inquiry to see whether Milovick conspired with judges.

MEDICINE

Blood warning

A committee on bioethics has recommended that Canada ban blood donations from people who have lived in Britain any time since 1985. The Advisory Council on Bioethics, an agency of Social Canada, makes up most of the blood products used in Canada, and that people in 38 other countries have been exposed to BSE (spore-forming bacteria) — the so-called mad cow disease — which was known to be present in some British beef before the mid-1990s. The council said donated blood from those exposed might eventually infect large numbers of Canadians with the disease's related human brain disorder, Creutzfeldt-Jakob disease. That risk has already forced Britain to export all of its plasma from outside the country. But Canadian Blood Services, the replacement agency for the Red Cross, responded that refusing plasma products from British imports or refusing Canadians would result in a severe blood shortage in Canada.

Quebec goes to the polls

The worst-kept secret in Quebec politics was finally out in the open when Premier Lucien Bouchard confirmed a provincial election in 1998. "I've decided there will be an election this fall," Bouchard told reporters on Oct. 13, adding, "I'll inform my cabinet tomorrow." But in an unusual move, the premier decided to give a date for the vote. Bouchard, in fact, is not in complete control of the timing. Before the vote can be issued, the National Assembly, scheduled to convene on Oct. 20, must first bring Quebec's legislative law into compliance with last year's Supreme Court of Canada ruling that struck down its restrictions on third-party funding. Depending on how quickly the legislature can pass the amendment—the opposition Liberals have promised to co-sponsor—the election could be held on Nov. 25, Nov. 30 or Dec. 7. The Liberals and the governing Parti Québécois are virtually even in the polls. Bouchard said he would campaign on his government's fiscal record in almost obscuring the provincial deficit. Liberal leader Jean Charest intends to attack the PQ on its sharp cutsbacks in health-care funding and attempt to convince referendum-wary voters to abandon the sovereigntist party. Although Bouchard has promised he will call a referendum on any independent vote under "favorable conditions," he has not ruled out such a vote should the PQ be re-elected.

A battle to prevent more evil

World

BY BARRY CAME

Snow dusted the crests of the Corrad Mountains last week, the first harbinger of the coming winter in the rugged borderlands between Albania and Serbia's southern province of Kosovo. A sure sign, in itself, that time is fast running out for the herds of ethnic Albanian Kosovars still encamped in the Kosovo wilderness. There may be as many as 50,000 refugees, chased from their homes by Serbian forces. And despite international agreements signed last week in Belgrade and January 1995, between residents of the hideouts and makeshift shanties they have constructed in wooded hills, far from the Serbian troops who put the torch to their villages. "We've been on the move for months," acknowledged one intruder last week as she, wrapped in a scarf against a chill October wind, hurried her class of women and children along a forest track in the shadow of western Kosovo's ruly, snow-capped range of snow-capped mountains. "And right now, all we are looking for is some place to sleep."

Nat for many in the devastated village of Jullinec, a Kosovo Liberation Army unit, clad in camouflage fatigues emblazoned with the KLA's black double-headed eagle, huddled in the barnyard shell of what was once somebody's home. The guerrillas, who are fighting for Kosovo's independence from Serbia, do not expect much to emerge from the deal negotiated at the eleventh hour last week between UN envoy Richard Holbrooke and Yugoslav President Slobodan Milosevic. "Frankly, we have little hope," said the local KLA commander, speaking in French, cradling a long-barreled rifle. "We don't believe the war is over." He said a 2,000-member contingent of untrained international monitors, as planned under the new agreement, would not have the muscle to force out either the Serbian military troops or the notorious blue-uniformed special police units largely responsible for terrorizing the local population. Even worse, he said, the deal was certain to be scuttled at some point by Milosevic. "He's led so many times before," added another guerrilla, this time in German.

Given the Yugoslav president's appalling track record, there was little cause for optimism about the deal the hard-nosed Holbrooke finally forced Milosevic to swallow. It may have merited action by an airborne NATO armada—including six Canadian



Fairfax CF-18 fighter-bombers—but serious doubts remain about the agreement's capacity to bring lasting peace to Kosovo. The accord calls upon the 35-nation Organization for Security and Co-operation in Europe to field some 2,000 civilian "verifiers" on the ground in Kosovo—backed in the air by noncombat reconnaissance planes—to oversee the withdrawal of Serbian troops and police, a development that would allow the refugees to return to their homes. Further down the road, the agreement calls for restoration of Kosovo autonomy within the Yugoslav federation, disclosure to create new local government authorities and, after a three-year "cooling off" period, talks about the long-term political future of the territory. Pre-

Child refugees, Milosevic: (top right) an ethnic conflict that has cost 1,500 lives and left 200,000 people homeless

sumably, they would not rule out the possibility of Kosovo's independence.

Still, few expect an early resolution to the conflict that, since it began in earnest last March, has cost close to 1,500 lives and left another 200,000 people homeless. Polish Foreign Minister Hans-Joachim Genscher, currently OSCE chairman, admitted as much last week as he flew to Belgrade to sign the formal agreement establishing the force of 2,000 civilian monitors. "Maybe it doesn't look like the best solution," said Genscher, "but certainly it is the least evil outcome."

Will Serbia make good on its agreement to pull out of Kosovo?

NATO's civilian and military commanders echoed that guarded view as they followed Genscher to the Serbian capital to initial accords permitting NATO overflights. The Western military alliance's secretary general, Javier Solana of Spain, pointedly told Milosevic that he was "for free markets" the international community's demands on Kosovo. "The solution to the problem," said Solana, "is not signing papers but complying with agreements that have been achieved."

In support of that tough approach, NATO maintained its big stick: the threat of air strikes against Serbian targets if Yugoslavian forces do not show incontrovertible evidence that they are leaving Kosovo. But late last week, NATO extended its deadline for Serbian compliance with the agreement by 30 days, until Oct. 27. In Brussels, NATO officials said at week's end that they were seeing no evidence of "credible, substantive" troop withdrawals. On the contrary, the alliance's intelligence officials linked reports that they could identify by name and number the Yugoslav army and police units that should have been withdrawing under the terms of the agreement but had not yet moved.

Certainly in Kosovo last week there were few signs of substantial troop movement in any direction. On the main road through the central region of the territory, most vehicles were carrying police, army, foreign reporters or an occasional aid delivery. Serbian police checkpoints the only signs of life were blue uniforms hanging out to dry, soldiers looting trees for firewood, cattle and pigs mowing aimlessly. Rolling carcasses of cattle and horses littered the roadside.

In the western village of Dekovo, one of the first settlements to be torched when Belgrade launched its offensive last summer, about 20 police still occupied houses and manned two checkpoints. The few Serbian families that lived there were back in their homes, but so was the "Shirazi," a fancy pink satin dress with sequins had been draped around a tree trunk. Behind it were the ruins of another good farmhouse. On the door of fire-blackened houses police had dashed four





NATO's threat of air strikes on Serbian targets remains

Cyrillic letters that stand for the multinational motto "Only unity saves for Serbia."

Further west, on the other side of two rivers, Jablanica, enters a KLA stronghold, now all but deserted save for the KLA band and a few local farmers. One of the farmers dragged victims into the gutted remains of his house. Nothing had remained intact. The roof was gone.

"How can I bring my family back?" he demanded. "I have nothing except the children I saved." Others in the village claimed they still hear gunfire at night. "At the sound of the first shot, the women and children ran back into the forests," said one man, cradling an infant against his chest. "I have nothing except the children I saved." Others in the village claimed they still hear gunfire at night. "At the sound of the first shot, the women and children ran back into the forests," said one man, cradling an infant against his chest. "I have nothing except the children I saved." Others in the village claimed they still hear gunfire at night.

The mood was more upbeat, however, 35 km north in the mostly Serb-populated village of Bica. "The main thing is to have peace here and live normally," said Miroslav Andrićević, a police reservist. The occasional gunshot, described by Andrićević as "KLA warnings," rang out as he talked. He maintained that local Serbian villagers, residents of Bica for generations, were willing to accept a U.S.-led peace deal that would give substantial autonomy, but not independence, to Kosovo. "It doesn't matter if an Albanian or Serb is head of Kosovo," he argued, "so long as we live in peace and freedom."

Vojin Dozic, the village deputy mayor, was relieved that he no longer had to do 12-hour shifts in the trenches that ring Bica. But he was depressed about how things have turned out in the decade that has elapsed since Milosevic first stripped Kosovo of its provincial autonomy: the move that fueled his rise to power on the back of Serb nationalism but also led to the brutality of former Yugoslavians. "The last 10 years weren't good for the Serbs or Albanians," admitted Dozic. "It was the people who suffered." But



CF-116s at northern Italy, a combat role overseeing the withdrawal

Milosevic, he hastened to add, had more good points than bad.

In Bica, there were never more than a few ethnic Albanian families. Three of their homes lay in ruins. Local police claimed they had been destroyed because "terrorists" had been using them as a base. But out far away in the village of Otrantun, where the majority of the population is Albanian, the view was different. Bajram Morina, a sociologist, backed NATO far longer to an end Milosevic's campaign of terror against the Albanians. He even confessed that, actually, he would have enjoyed witnessing the sight of NATO warplanes bombing the Serbs. "I wanted it to happen," he admitted, "but then I thought deeply and I hoped it wouldn't. It would have led to another cycle of violence—and for who?"

There is no easy answer to that question. For the moment, it appeared that the mere threat of NATO air strikes had brought a measure of relief to Kosovo's war-weary inhabitants. "We've begun a process in which the international community can act together to stop the bloodshed and avoid humanitarian disaster," maintained Polish Foreign Minister Gosciniak. "We can also begin negotiations from which a political solution to the Kosovo crisis can be found."

But no matter what eventually happens in Kosovo, NATO crossed a line last week when all 16 member states of the most powerful military alliance in the world agreed to launch joint military action against Yugoslavia, a sovereign European state with internationally recognized borders. Only three of the organization's members did not contribute aircraft to the project. Neither Ireland nor Luxembourg possesses warplanes. Greece, a Serbian ally anyway as the peripatetic Albanian presence on its northern border, declined to send jet fighters or bombers but did consent to the use of Greek aircraft in the case of conflict.

For the first time in NATO's 49-year history, the alliance chose to intervene with force in what, technically at least, is an internal Yugoslav concern. The implications of the decision are likely to be far-reaching, particularly for all of those nation states harboring such their borders rather anxiously yearning for independence. Canada falls into that category, even if the state of its relations with Quebec bears no comparison to the hostilities between Yugoslavia and Kosovo. Still, the precedent of military intervention has been set, and a NATO attack on Serbia remained a distinct possibility.

ROD GUY DAVOREN in Kosovo



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WASHINGTON

Andrew Phillips

Clinton turns a corner

President Bill Clinton did something unusual last week: he looked presidential. And not just for a few hours, he managed it all week. Much of it had to do with matters at home—he won concessions from Republicans in a last-minute deal for a new federal budget of \$208.5 million. But some of his biggest boosts came from abroad. Clinton faced down the Serbs in Kosovo and won agreement to put international troops there. They're bringing Bosnian Netanyahu and Yasser Arafat together near Washington and leaved on them to work out a new agreement for peace on the West Bank. And he did it all without having to discuss his sex life. When reporters got close enough to ask him a few questions, they focused on Kosovo. The words "impeachment," "perjury" and "Monica Lewinsky" did not cross their lips.

It's no accident that foreign policy was at the heart of Clinton's best week in a very long time. Presidents can act in the rest of the world in ways they can't at home, especially when they are as beleaguered by political opponents as Clinton. They can, for example, pose among the flowers in the White House Rose Garden with two old adversaries as he did, and talk openly of setting aside ancient hatreds and going to work for peace. And the rest of the world, by and large, wants them to act. Foreigners



Clinton with Netanyahu (left) and Arafat: free from Lewinsky questions

may resent American power and wealth, but they still rely on Washington to keep things running smoothly. Nuclear tests in India and Pakistan? Financial crisis around the world? Iraq on another weapons-building spree? North Korea Iraq of missiles? Slaughter in the Balkans? Call the White House.

Which goes some way toward explaining Clinton's remarkable support among the international elite. In some of his darkest hours, it's they, not his loyal supporters at home, who have given him the lift he needs. The United Nations General Assembly welcomed the President with a sustained standing ovation in late September, just as his embarrassing grand jury testimony was being revealed to the world on television. Richard Mardale, outspokenly embroiled him in the White House. The last night, just before he was deposed as Germany's chancellor, told an interviewer that bawling Clinton over was "in some way that makes me proud." And a cast of 100 international notables—including Desmond Tutu, Gabriel Garcia Marquez and Sophia Loren among them—signed a letter demanding that Clinton be fired from "unacceptable harassment by a fanatical prosecutor with unlimited power." They can't make sense of what's happening to him, and they want Americans to let him get back to making the world safe for them.

Of course, the world seizes that periodically overcomes the American political system usually leave foreigners shaking their heads in wonder. They certainly didn't get Watergate. It is only

because that the conventional wisdom in Europe a quarter-century ago was that Richard Nixon was a statesman essential to keeping the balance of power in the world. Watergate, we at the time thought, was just a political play by his enemies or an irrational outburst by a people too innocent to know that those who win the leadership of their nations are morally menial, deep-frozen and dark-chambered. Drive him out of office over some shabby deeds by low-level operatives? How odd. How American.

There is, though, little evidence that an embattled president need be an effective one—at least abroad. Even Nixon managed to keep going almost up to the end. In October, 1973, in the midst of Watergate, he worked out a settlement to the Arab-Israeli War. His opponents said he was too weakened to be effective; they worried openly that he might give away too much to other governments. But the next summer, he went to Moscow and signed an arms treaty with the Soviet Union only 36 days before he was forced to resign. For much of this year, crises have mounted around the world and Clinton's critics have had a field day. He's too weak, they have said, to take on Saddam Hussein and Shoaibie Widespread. He's too distracted, they added, to provide leadership as the world economy

slips into crisis. When he did act—sending cruise missiles to hit targets in Somalia and Afghanistan in retaliation for the terrorist bombing of U.S. embassies in Africa—even some commentators openly wondered if he was just trying to divert attention from his troubles, like the president in the *Star Wars* the *Day*. Just as important, public opinion has been eroded on Lewinsky while more serious events have been spinning out of control. When a UN arms inspector, Scott Ritter, quit in late August and loudly accused Washington of blocking effective weapons control in Iraq, his politically loaded charge was overshadowed by yet more scandal news.

Now Clinton seems to have turned an important corner. Last week's budget deal will help Democrats hold their own in the mid-term elections on Nov. 3. The Kosovo settlement showed him taking charge of a very difficult situation. And if Netanyahu and Arafat message to work out new arrangements for peace on the West Bank early this week, Clinton will surely be right there in the Rose Garden when they announce it. He still faces an impeachment inquiry in the House of Representatives, but almost no-one believes the Senate could muster the 60 votes needed to throw him out of office. At least, however, what is now known about the Lewinsky affair. So he stays—strong enough to tackle the crises that have piled up while he was otherwise occupied. And who knows? Looking presidential may yet to be a habit all over again.

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End of a middle-class dream

BY MALCOLM GRAY

Russia's economy is in tatters, its political stability is threatened by the failing health of its president, Boris Yeltsin—and Natalia Sokolova is worried that a tough Moscow winter will ruin her best boots. It is a practical concern. Until recently, the 39-year-old civil engineer earned a good salary—some times as much as \$2,000 a month, almost 10 times the average industrial wage in the Russian capital. But that comfortable standard of living vanished in midsummer when the government devalued the ruble and defaulted on some foreign debts. The economic crisis that followed has swept away thousands of white-collar jobs in Moscow and St. Petersburg, Sokolova's among them. As she joined a line of job seekers at a city-run employment centre last week, Sokolova inspected her black leather boots for signs of wear. She believes in keeping up appearances. "Fortunately, I have enough good clothes and shoes to wear to job interviews for a while," she said.

In Moscow alone, as many as 100,000 middle-class managers, as well as bankers, accountants, real estate agents, computer specialists and other formerly well-paid office workers are in the same fix as Sokolova: flooding the bus agencies at commercial placement firms with hastily revised résumés. Some are considering an entirely fresh start, angling for chances of moving to Israel, Canada, the United States or elsewhere. Canadian Embassy officials say the number of serious inquiries about how to become one of the 5,000 immigrants Canada takes each year from Russia has practically doubled since July.

To be sure, the near liquidation of the country's small middle class—and as it was coming into existence—was only one aspect of Russia's severe problems. The overall bleak economic outlook has intensified calls for a change in political leadership. When Yeltsin almost collapsed during a televised welcoming ceremony in the Uzbek capital of Tashkent last week, widespread concern about his mental and physical capabilities only heightened. Yet he insists he will stay on in the Kremlin



A woman begging on a Moscow street: uncertain food and fuel supplies for the coming winter.

Russia's best and brightest are losing hope

until his term expires in 2000. Meanwhile, a new government under Prime Minister Yevgeny Primakov, now in its second month, has yet to come up with a detailed plan to restore economic stability—beyond hoping that the International Monetary Fund will release the latest instalment of a \$35-billion loan program. Brisk and exhausted, Russia is drifting towards winter, unsure if it has sufficient food and fuel, or if there is a firm hand on the economic tiller.

The latest alarming sign: the Russian president's health was again deteriorating suddenly as he coughed and spluttered his way through a visit to Central Asia last week. Doctors persuaded him to cut short that tour and return to Gorki-9, his country estate near Moscow, to recover from what Kremlin spokesmen blandly described as a bout of bronchitis. But officials of Russian state TV coverage of his stumbling and nearly falling in Uzbekistan, Russian newspapers documented other slips on the president's first foreign trip since May, including one report that Yeltsin thought

at times that he was still in Moscow. In attempting to read a toast at a dinner in the Uzbek capital, Yeltsin baffled guests with the remark: "I was left happy with the objects and stones that I saw." He had not, in fact, visited any stones.

Yeltsin's overall condition seemed to improve briefly after he made two at a champagne-brunch heart operation two years ago. But his most recent lapses reinforced irreverent gross speculation that the operation failed to rectify his most pressing health problem: a poor supply of blood to the brain. Reports persist that he has increased drinking heavily. And Yeltsin's blank expression, still, huffing girth and sometimes incomprehensible state visits are adding fuel to the latest speculation that he is suffering from Alzheimer's disease. Whatever the cause, commentators see grave problems in Yeltsin's behavior. Declared the Moscow daily *Nazavtra*: "Gorbachev (The Independent): 'The president is aging from day to day. Against the background of Russia's crisis, that is starting to look like a natural catastrophe.'"

Even before his shambolic excursions, Yeltsin had become a mere shadow of the robust, assertive figure he once was. While



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WORLD

the ruble lost 60 per cent of its value and inflation soared, the president has alternated time in the country with workdays of three hours or less at the Kremlin, saying little in public about the national cash crunch. "He has certainly changed psychologically," noted influential Moscow columnist Otto Lashin. "He is no longer the strong-willed and daring fighter we used to see in the past. It is as if all his been let out of a balloon." Power, meanwhile, has shifted to Prutankov, heading an uneasy coalition government that includes Communists in key economic posts.

Amid a growing clamor for the president's resignation, only *Izvestiya*—and the influential daily *Pravda*—took the opposite tack last week. Its presence, they argued, was preferable to the uncertainty that would follow an early exit. "Can Yeltsin rule the country?" the newspaper asked. "He not only can, he must. Healthy or sick, Yeltsin is the last guarantee of stability in the country. It is a declared stability, but like a bad law it is still better than lawlessness."

Still, the well-dressed job hunters in central Moscow were more concerned with their own employment prospects than a possible vacancy in Russia's top political job. Their very presence on the job market was yet another mark against Yeltsin.



Boris Yeltsin's health is once again an issue

Svetlana: Standing for minutes with relatives

Though smaller in stature and hard to define, the backing of a middle class had been a clear sign that at least some of the nation's best and brightest were finally realizing an old Russian dream: simply leading an ordinary life. In an experience that has now virtually vanished in Moscow, that meant getting a good job with enough income to cover such occasional luxuries as a trip abroad—routine stuff in what the Russians touchingly call normal countries.

During seven years of wild advances to wilder market economy, Moscow and other large Russian cities have seen the growth of a service sector that provided jobs to white-collar workers like Svetlana and catered to their consumer needs. But now the banks, ad and travel agencies and recreation firms that helped give Moscow its frantic boomtown feel are struggling to stay afloat. Svetlana has found the market of restaurants in Germany and Bulgaria, but no plans or

Despite their shock and resentment at becoming unemployment statistics, few of the white-collar job seekers at the clinic, well-lit municipal centre had any interest in politics. None had bothered to turn out for a one-day protest against unpaid wages that truly anyone and the Communists organized the previous week, leaving that to harder-hit pensioners and staunch advocates of a Soviet revival. "I don't see the point of going into the streets and catching cold," said Svetlana, dismissing the march as a near-relevant farcical. Instead, her goals are largely apolitical and personal: to work hard at another job that will support her and her 13-year-old daughter, Marina.

Murder. And mayhem.



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WORLD

money to go abroad again. "There's not much demand even for our inexpensive tours," said Jan Pesow, the president of Moscow-based 880 Travel. More than one million Russians travelled abroad last year, but business travel is down by 50 per cent and leisure travel by more. "Essentially," said Pesow, "business is dead."

Fashionable boutiques, supermarkets stocked with imported food and new restaurants and bars are also hurting. Well-heeled professionals can no longer afford to hang out in places like the Chesterfield Cafe. Partially owned by Hollywood's David Spade, the popular nightclub has cut back on opening hours and substituted fish and chips made from local ingredients for pricey steaks imported from France in an effort to win back customers.

Similar cutbacks have hit advertising agencies that until recently lobbied for Moscow with billboards as well as print, radio and TV ads. Igor Zhandov, vice-president of a local ad agency association, said the country's ad market has shrunk by as much as 70 per cent since the midsummer crash, with agencies laying off almost half their staff or sending them on unpaid vacation. To receive a TV market that was worth at least \$600 million yearly, some executives have begun lobbying national legislators to

scrap a three-year-old law banning alcohol and tobacco commercials. "Banning advertising for products that the public wants is wrong," said Svetlana Gerasimova, a liberal deputy who was last willing to listen to the admen's pitch.

Newer middle-class aristocrats, Sovolozas has given up imported chocolates and switched to cheaper domestic brands. She is now considering taking a job cleaning offices. The money would replenish her dwindling savings, although it would not cover the English language that she teaches her daughter to prepare her for the working world. In the meantime, Sovolozas is not too proud to accept potatoes and cucumbers that her mother raised on a small vegetable plot on the outskirts of the capital. These people, kitchen gardens, a traditional Russian hedge against hard times, account for roughly half the food grown in the country. Privolozas has acknowledged that they will be a key factor in how Russia survives the coming winter.

Like Sovolozas, Sergei Denardov found that the August crash had put him on permanent unpaid leave from a job at Ares, a Moscow firm specializing in securities trading and other financial services. That disgraced diplomat has left the 39-year-old analyst hunting for a job so that he can help his wife,

Arastina, a literary technician, can find renovating the apartment they own. Any thought of replacing their landed, 16-year-old Lada have been put on hold. Denardov follows the political news closely, but he doesn't believe the government will reverse the falling economy anytime soon. "I don't have much faith in our leaders," he said. "Some of them should be publicly executed for the money they stole."

Denardov's job in finance at least topped him off that a crash was coming. Unlike millions of others who found their life savings were trapped in the collapsed banking system, he was able to withdraw several thousand U.S. dollars while the ruble still had its buying power. "I have what we call 'fat' put aside for a black day," he said. Russians don't trust their own banks or currency, but they have the same high regard for U.S. dollars as they do for gold. "There's supposed to be something like \$50 billion [U.S.] hidden under mattresses and tied up in socks in this country," added Denardov.

He and his wife are currently living off his U.S. dollars, but with his research skills and a knowledge of English, Denardov wants to set up his own translation and interpreting service. "This could be a good time to start a small business," he said, bravely ignoring the fact that Russia is in its worst financial crisis since the Soviet Union collapsed. □

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A prisoner of conscience

Alexander Nikitin—the man whom Amnesty International has named post-Communist Russia's first prisoner of conscience—will finally get a chance to defend himself this week. The former nuclear submarine commander will stand in a St. Petersburg court to face treason and espionage charges. His alleged crime: exposing the Russian navy's handling of nuclear waste in the Far North. When state security agents arrested him in February, 1996, for violating national security, the 48-year-old activist had just received Canadian immigration approval. And after long and painful family discussions this year, his wife, Tatiana, and daughter Yulia agreed to fulfil at least part of that family dream, with his blessing. They settled in Toronto two months ago. Now they are having second thoughts about leaving with Nikitin's fate still hanging in the balance. "I miss Alexander very much and I wish I could be with him now," said Tatiana in an interview with *Maclean's*. "If the court rules against him, which I doubt, then we'll return to St. Petersburg. But he expects to stay here."



Nikitin with Tatiana (below); she will wait in Canada to hear his fate



Nikitin is on trial for treason—and breaking secret, retroactive laws

Nikitin, 48, notes the hope that he will be free to leave Russia—but he is more cautious than his wife. "This is for them being settled," he says. While waiting for a firm trial date, the activist has gained international acclaim for highlighting the threat of nuclear waste stored aboard Soviet-era submarines, now rusting in Murmansk and other northern Russian ports. Nikitin has consistently maintained that all the damning material he helped write in a report for *Belesta*, a Norwegian environmental group, came from public sources and did not reveal any state secrets. The revelations were widely embarrassing for a former superpower, now too broke to clean up the mess. Hence, critics abroad, including Amnesty International, have compared the state's clumsy handling of its case against Nikitin to the Soviet prosecutorial resolve against Andrei Solzhenitsyn.

The Federal Security Service, known as FSB, held Nikitin for 30 months without bail while it drew up charges of violating unpub-

lished secret laws and decrees—including one that came into force after Nikitin had been arrested. During that period, it was Tatiana, along with Nikitin's lawyers, who repeatedly stressed that facing charges on secret and retroactive laws violated the Russian Constitution. Nikitin is still hopeful that he will finally gain access to the mysterious defense department decrees that landed him in court. "We suspect that the military has been arbitrarily announcing these decrees for the FSB investigators breathing my case," he said. "People should be prosecuted according to the law, not under some hidden decrees."

Tatiana certainly tried to bring state openness to a process shrouded in secrecy. To that end, she brought a video camera with her to Nikitin's unsuccessful last hearings to ensure that she had a comprehensive record. And when her husband was released from prison in December, 1996, she focused the camera on "the men in black"—her term for the dark-clad FSB agents, who she says followed her everywhere.

The day had been passed. Prime Minister Yevgeny Gorbachev had repeatedly stressed, that the country was ready to accept Nikitin if the Russian authorities allowed him to emigrate. On Aug. 20, the two women arrived in Toronto, without Nikitin. Mother and daughter now share a small apartment in the city's west end and are adjusting to life in a new country. Almost daily, they have brief phone conversations with Nikitin—although Tatiana worries about her bills. In Russia, she helped support the family by working on a film crew making documentaries. But with little English, she has yet to find a job. Last year, Nikitin won the \$100,000 Goldsmith Environmental Prize, a U.S. award that makes no high on a Nobel within the green movement. But Nikitin wants to use that money, solely stored in a U.S. bank, to support young Russian environmentalists. Said Tatiana: "Sometimes, I think we made a mistake moving here, even though it is a wonderful place, filled with great opportunities."

After weeks of hunting, Yulia, who does speak some English, landed a part-time job in a veterinary clinic. For \$5 an hour, she washes floors, but at least it's associated with her chosen field. More important, she has won a place at Moscow Ufa, a Russian veterinary school where she will begin studying in January. If her mother's professions cause trouble, that the trial will be over by week's end—she finally could be settled before Yulia heads off that lecture. Nikitin can bring his skills as a judicial technician to Canada, he must battle being branded a traitor under still-secret laws in his homeland.

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World NOTES

PINOCHET ARRESTED

British police arrested Augusto Pinochet, 82, on allegations of murdering Spanish citizens in Chile between 1973 and 1983. In London for surgery, the former Chilean dictator was arrested after British authorities received a Spanish extradition warrant. Chilean President Eduardo Frei said his government is filing a formal protest for what it considers a violation of "the dignified community Pinochet enjoys." Chile has previously said it does not recognize the authority of foreign courts.

MULTIPLE MURDERS

A family doctor near Manchester, England, is accused of killing four of his patients and media speculation that he could face up to 77 murder charges. Police charged Harold Shipman, 52, after the discovery of almost 100 alleged victims became suspicious when they discovered her mother's will, worth nearly \$200,000, had been altered to make Shipman the sole beneficiary.

UN DEAL COLLAPSES

The United States risks losing its vote in the UN General Assembly after Congress and President Bill Clinton failed again to agree on conditions for paying \$200 million in back dues to the international body. Clinton rejected a Republican proposal that would allow the UN payment only if the government denied federal assistance to family planning organizations. Even if it lost its General Assembly voting privilege, the United States would remain its vote on the more powerful Security Council.

STUDENT RAMPAGE

A national day of protest for new teachers and better schools turned violent in Paris when high-school students looted shops, burned cars and clashed with riot police. There were more than 100 arrests and two policemen were injured, one seriously. Some 500,000 students throughout the country have been demonstrating for two weeks.

ITALIAN COLLAPSE

Prime Minister Romano Prodi abandoned attempts to form a new coalition government, leading to speculation Italy may go to the polls in 2½ years early. Prodi's center-left coalition fell after the country's largest party, the former Communists, withdrew its support. It was the country's 56th government since the Second World War.



A HEALTHY HAND: Australian Chief Halton (right, with one of his doctors) had good news and bad news last week. Three weeks after undergoing a 13-hour operation in Lyons, France, Halton, 45, showed off his new, healthy-looking right hand. It will be at least a year before doctors can determine how well the transplant, from a brain-dead man, will function. Halton lost his hand in an accident with a saw in 1984 while serving a two-year prison sentence for fraud in New Zealand. And the bad news? His new appendage could end up in handcuffs—Halton faces another trial next year on new fraud charges.

Aircraft insulation and fires

The U.S. air transport overseas, the Federal Aviation Administration, recommended that the world's airlines replace the insulation in their 12,000 passenger jets. The FAA cited evidence pointing to fire as a possible cause of the Sept. 3 crash of Swissair Flight 111, the MD-11 that went down in the Atlantic off Peggy Cove, N.S., killing all 229 aboard. Sections of Mylar, a coating applied to the insulation used to control temperature and noise on planes, have been found on the wreckage. U.S. aviation safety authorities say Mylar has been linked to three aircraft fires, in China, Italy and Denmark.

Airlines can expect authorities to propose a new flammability standard in six months.

Meanwhile, FAA administrator Jane F. Garvey urged them to "take advantage of any reasonable maintenance opportunity to replace existing insulation materials." Swissair president Jeffrey Rott said the airline "will take whatever action is needed" if the FAA issues a mandatory directive. But air travelers should not expect to see insulation upgrades immediately. For one thing, replacement, costing billions of dollars, would be done most efficiently if conducted during a plane's mandatory five-year heavy maintenance. For another, one of the alternative insulations is recommended by the FAA is not ready for commercial use. Corlon, a type of insulation fiber, is still under development by California-based Occor Corp.

A papal challenge to skeptics and agnostics

Faith and reason: Pope John Paul II called on Roman Catholics around the world to study these two virtues as it marks the 150th of his 30 years as pope. John Paul warned that modern science and technology are eroding faith by fostering skepticism and agnosticism. Officially, an encyclical is a letter from a pope to his bishops, but it also acts as a public address. John Paul condemned the relativism he says is promoted by advances in science, calling it a philosophy that "belittles religious, theological, ethical and esthetic knowledge to the realm of fantasy."

Disney's Magic Kingdom in Florida: an ideal place for annual migration every about 6000



A southern longing

A sagging dollar complicates plans to escape the Canadian winter

BY PATRICIA CHISHOLM

John Pelletier wasn't too surprised when the loonie began its nosedive last summer: the retiree has been keeping a sharp eye on the Canadian dollar since he and his wife, Mary, began taking extended winter holidays in Florida some years ago. During that time, Pelletier, 68, has watched the Canadian dollar gradually lose about 27 per cent of its value. But it was not until this year, when the dollar slid from 70¢ to 63¢ on Jan. 2 to a low of 63.3¢ on Aug. 27, that he began to reconsider his annual vacation plans. Pelletier is now toying with the idea of selling the modest manufactured home he owns in Bradenton, near Sarasota, and has recently stopped his practice of coming home with U.S. dollars for the couple's annual October departure. Pelletier says it is "ridiculous" that he has been receiving only about \$975 U.S. dollars for every \$1,000 Canadian exchanged over the last five months. With numbers like that, the Pelletiers are concerned their Florida getaways may be coming to an end. "There is a good possibility that

we could stop going," he says. "We only have so much to live on." Writing to the chairwoman of 1998-1999: With Canada's dollar trading at historic lows against the U.S. counterpart, many Canadians are wondering whether they can afford a warm-weather getaway this year. Certainly the weak dollar encouraged many to stay home last winter. According to Statistics Canada, Canadian visits to the United States fell by 14 per cent in the first quarter of this year, and 10.2 per cent in the second quarter, compared with the same periods last year. But Canadians are enthusiastic world travelers and many are finding new ways to escape without breaking the bank. Some travel agencies are offering special deals, such as early-birdie discounts, especially aimed at consumers worried about the dollar. Customers are hiring and some companies are even offering sharp increases in travel to destinations such as the Caribbean. "I almost think it's well worth it in our confidence," says Martha Chapman, spokesperson for Signature Vacations, Canada's largest wholesaler of package holidays. It is unusual, Chapman says, for economic factors to divert Canadians from their passion for travel. "When the snow falls, people's feet start to itch," she says. "We've been through currency problems, but

unlike you, we came in. It's a national love." Mark Seneca, managing director of the Toronto-based Canadian Snowbird Association, puts it another way. "Most snowbirds will do anything to keep going south—they're addicted." Seneca says he was expecting the winter decline to keep more of the association's 105,000 members at home this year, but that September survey revealed that only about three in five per cent intend to stay put. Three-quarters have no intention of changing their plans to stay the average of four to six months. 12 per cent are going for shorter periods—and some percent intend to extend their stay in the United States this year.

Snowbirds, however, are deeply concerned about their finances. Seneca says their average annual income is only \$20,000 to \$30,000 and they are, as he tactfully puts it, well known for being "very frugal." This year they are particularly sensitive to basic costs, such as food, fuel and accommodation. Many are already trying to protect themselves from unexpected price hikes. Early sales of the medical plan endorsed by the association—launched in last year's prices—were three times higher than in 1997. And in general, Seneca says, U.S. residents expect more belt-tightening from the estimated 800,000 snowbirds who visit the United States yearly, in clothing more than 500,000 who choose Florida. Many say they plan to eat at home more often, travel less within the United States, and limit special activities like golf and theme park visits. Anticipating the slowdown, at least one U.S. business is already offering Canadians a deal. Walt Disney World, near Orlando, is selling its seven-day passes for per for Canadians who purchase the tickets in Canada before Feb. 16, 1999.

Others are heading for island U.S. destinations which can be cheaper than Florida, with many going to distant Hawaii. Canadians, long known to be avid vacationers in island destinations, Arizona and Texas, report seeing more travelers from across Canada who are putting up Florida in favor of other states. But snowbirds accustomed to winning in places that some newcomers might think of as bargain areas are also finding that their costs are rising. Annette Beck and her wife, Louise, live in Langley, B.C., during the summer months but are dedicated to their winters in Hemet, Calif.,

about 137 km east of Los Angeles. Scott estimates that his usual cost—about \$6,000 for a five-month stay—will increase by about \$4,000 this year, but he has no doubts about who he will be. A retired businessman who spent most of his life in Calgary, Scott, 69, is determined to escape the cold. "I've wintered hard all my life," he says. "What are you going to do, sit in front of a cold, dry fireplace and perhaps have a beer? Or keep up your lifestyle, even if it costs 10 to 12 per cent more this year?" Scott adds that the cost of living in Hemet is no much cheaper than Canada that, even with the dollar's slump, his expenses are still relatively low.

Short-term vacationers, on the other hand, are avoiding the United States in such greater numbers, although they do not appear to be giving up their annual dose of sun. Toronto, a Toronto-based travel agency, says their sunspot bookings are up by an estimated 20 to 30 per cent, especially for less expensive places like Cuba. And while Toronto bookings at Signature's package holidays to southern destinations, such as the Dominican Republic and Venezuela, are up by 25 per cent this year, the number of customers heading to warm U.S. destinations is down, partly because of the slowdown in the British Columbia economy. Chapman hesitates to give precise figures for competitive reasons, but says such bookings have fallen by several thousand. Signature with a total of about 1.1 million trips a year. Unlike other Canadians who take only a few weeks for a holiday, snowbirds are more likely to turn their backs on the United States because of currency fluctuations or economic conditions, Chapman says. They often have close ties, such as real estate—75 per cent of Canadian Snowbird Association members own property in the United States—or well-established family roots in particular areas, but keep them going back in bad times as well as good, she says. "Some people have an enormous comfort level in the U.S.," she notes. "It's their backyard."

John Pelletier could hardly put it better. Although he is considering selling his home in Bradenton—which includes a spectacular seasonal—located in a park among similar homes owned by other Canadians, it is clear that would be a wrenching decision. His four children and seven grandchildren are always welcome there, he says, and their visits are a special occasion. He and his wife have lived in the United States for 15 years, but it is almost impossible to duplicate during Canada's winters. "I would like going down a street just a lot of houses," he explains. "It's a parking lot and people stop walk many times after to talk and visit." It is for many like this, often living more or less with family and friends than with winter, that many snowbirds are scrambling hard to keep their migration plans intact. □



CUTTING COSTS

Even though some destinations may cost more this year because of the sliding loonie, consultants say travelers who keep their eyes on the economy can significantly cut their costs. Among the suggestions:

Save four operations are offering a so-called "surcharge guarantee" on package holidays, once the trip has been booked and a deposit paid, the price will not change, regardless of currency fluctuations.

The trend in the travel industry is toward shorter booking times, but travelers who pay for their holidays well in advance can often take advantage of early-birdie discounts.

Holidays in Cuba are paid for directly in Canadian dollars—unlike many other Caribbean destinations where the U.S. dollar is the standard. That helps keep prices for a Cuban vacation low.

When traveling in the United States, search out so-called "per specialist" offered by mechanics willing to treat a Canadian dollar as if it had the same face value as a U.S. dollar.

Always carry Canadian identification, such as a driver's license or passport, otherwise, it can be difficult to take advantage of specials restricted to Canadians.

When traveling to the United States, check with local tourism authorities, States popular with Canadians, like Florida, Texas, Arizona and California, often offer special deals. Texas, for instance, is promoting a program this year called "Backpacker Backs," a bundle of discounts offered by more than 100 businesses. Deals include get specials at some major hotels and discounts of up to 50 per cent at restaurants and attractions in 14 cities.

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BUSINESS The bear takes a bite

BY ANDREW CLARK

A bucket of champagne roasts on Jung Cafe & Bar's cherrywood bar. Chilled glasses lie seductively by its side. It's just after the evening on a weeknight and players from Bay Street's financial companies crowd into the Toronto eatery's cavernous interior. Seated at the bar, along side a line of brokers and market speculators, 32-year-old Andre Vassallo enjoys a glass from an \$80 bottle of Bova Barolo 1991. Vassallo owns Vasse, an up-market Toronto men's clothing store situated at the heart of the financial district. His clients sport average yearly incomes of more than \$250,000 and must book appointments to preview his offerings. Many work on Bay Street and, lately, their usual free-wheeling spending has slowed. "I had two gentlemen come in and consider a leather jacket priced at \$6,000," Vassallo recalls. The jacket was showing a more laid-back and one of only eight in the country. "One man said 'I haven't lost as much, last week, I wouldn't think twice about buying it.' People are cautious. My clients are telling me that they believe we are heading into a recession."

Some call what has been happening to world markets a necessary correction. Others call it a calamity as the making, the apocalyptic tale of a steep worldwide recession. Regardless, those who earn their living by the stock market agree: some traders, analysts and investment bankers, having levelled by the market's sword on the upswing, are going



Bay Street feels the pain from falling markets

to die by it on the downswing. Beginning this fall and continuing over the next year, blood will spill on Bay Street and in firms across the country. The first large drop fell last week as Merrill Lynch Canada, the company founded in August after Merrill Lynch merged with Toronto-based Midland Walwyn Inc., announced plans to lay off at least 170 of its 2,400 employees in Canada. The betting in financial circles is that the cuts at Merrill are only the first and that other companies will follow suit. "You can't do anything except sit and wait," says Lisa Taylor, a 35-year-old executive compensation consultant with Toronto-based Wilbur M. Mercer. "No one is hiring and people are getting let go."

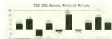
At Merrill, 33 investment bankers had been released from the company's 80-person corporate finance department by late last week and, all told, about half of the layoffs had been made. Spokesperson Peter Kahanert says post-third-quarter revenues caused the cuts. "The last few months have been unprecedented in world markets," Kahanert mentions, adding that layoffs could reach 200. "There is a casu-

ple of other elements like Kooze and Canson and it all adds up to trouble."

Merrill Lynch has company. CIBC World Markets, which employs 9,000 people, is laying off 300 staff worldwide. CIBC has dropped 40 employees in Toronto, with another 80 jobs to come. "It's a very painful time for people," said one CIBC World Markets employee, who asked to remain unidentified. "But at this wayward time you call, I may not be here." In September, RBC Dominion Securities announced plans to trim 550 million in expenses. A dozen staffers were recently laid off in the investment dealer's global market division.

The cuts at Merrill Lynch Canada followed a layoff announcement last week by its parent, Merrill Lynch and Co., the leading U.S. brokerage firm. A total of 3,400 jobs will be lost, about 3 percent of its workforce. Another 900 jobs, filled primarily by outside consultants, will also be eliminated. The firm reported a \$252 million loss for the third quarter of 1998, a significant drop from the previous year in which it reported \$170 million in earnings. The company's problems were compounded

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Business NOTES

CHANGES AT THE TSE

The Toronto Stock Exchange appears set to become a for-profit, publicly owned company, hoping the new structure will help it deal more quickly with its problems. Investment dealers now own the exchange. While the TSE accounts for 85 per cent of all equity trading in Canada, an increasing number of Canadian companies are listing shares on U.S. exchanges. It is also losing trading volume because investment dealers are buying and selling among themselves.

GM BACKS UP HUGE LOSS

General Motors Corp. lost \$1.8 billion in the third quarter due to an eight-week strike at two parts plants in the United States that all but shut down North American production, including Canadian plants. The strike cost the world's largest automaker \$1.8 billion after taxes. The quarterly loss compared with a profit of \$1.8 billion in the same period last year. Chrysler Corp. fared better, posting profits for the quarter of \$1.25 billion, up 55 per cent. At Ford Motor Co., earnings were \$1.3 billion, compared with \$1.4 billion the year previous.

BYE-BYE TO MAIL

Attempts to liberalize international investment rules under the controversial Multilateral Agreement on Investment suffered a body blow when France's socialist government said it is pulling out of the talks. French Prime Minister Lionel Jospin said with the recent upheaval in world financial markets, it would not be wise to "allow private interests to chisel away at the sovereignty of states." Canadian Trade Minister Sergio Marchi said Canada would still participate in the talks at the Organization for Economic Co-operation and Development. But Maude Barlow, head of the Council of Canadians and a key MAI opponent, said the French action spells the death of the treaty.

BAILOUT FOR THE IMF

The U.S. Congress has vowed to provide more financial support for the International Monetary Fund, strapped by bailouts in Asia and Russia and plagued by Brazil. The IMF will receive \$27.7 billion but the money will come with an American demand for less secrecy and higher interest rates on fund loans.

Markets rebound as rates cut

MARKET BOUNCE

Weekly close of the Toronto Stock Exchange 300 composite index



Stock markets in Canada and the United States climbed sharply higher after the U.S. Federal Reserve Board, followed by the Bank of Canada, dropped interest rates. The Bank of Canada cut the bank rate to 5.5 per cent from 5.75 per cent. The Federal Reserve, citing concerns about the world financial crisis and a possible credit crunch, lowered the discount rate to 4.75 per cent and the federal funds rate to five per cent. It was the second such cut in 10 days, convincing many investors that reserve board chairman Alan Greenspan is moving to stave off a recession in North America and Europe. The economies of Asia, Korea and Latin America are already

in a severe slump and many investors pulled their money from world stock markets in August and September in anticipation of further turmoil.

Immediately following the surprise announcement, the Dow Jones industrial average gained more than 300 points, its third-largest one-day point gain in history. At the same time, the Toronto Stock Exchange jumped 268.31 points, its biggest one-day percentage advance in more than a decade. The big Canadian banks announced they would lower their prime rates, in most cases, to seven per cent from 7.25 per cent. The cut likely means lower rates for consumer loans and home mortgages.

The urge to merge

A few weeks of merger, BC Telecom Inc. and Telus Corp. of Edmonton confirmed they are in merger talks. The second- and third-largest telephone companies in Canada, respectively, are under pressure to compete with the industry giant, Bell Canada, which has announced plans to expand beyond Ontario and Quebec by selling telecommunications services to businesses across the country. If the merger

takes place, it would create a company with \$4.8 billion in revenue and 25,000 employees. As the telecommunications industry becomes more competitive, companies are looking for partners to expand operations beyond their regional bases. There is speculation that the new year-end phase power could try to form an alliance with AT&T Canada Long Distance Services Co. of Halifax, or Sprint Canada, owned by Cal-Net Enterprises Inc. of Toronto.

FINANCIAL OUTLOOK

Most Canadians—64 per cent according to a September poll by COMFIS Inc. for the Canadian Imperial Bank of Commerce—believed they were either waiting or asking when it came to their personal finances. Only 36 per cent felt they were getting ahead, although there were substantial regional differences. The falling dollar, concerns about the future of health care and uncertainty about retirement were the top reasons for the gloomy outlook. Canadian concerns about the economy were echoed in the United States by weak retail sales figures.

Sales were up only 0.3 per cent in September. The soft sales figures, coupled with the dramatic decision by the Federal Reserve Board to cut interest rates, helped fuel speculation that the U.S. economy could be slowing.

GETTING AHEAD

Percentage of Canadians who said they were getting ahead or not



"Investor uncertainty is clearly evident in the increased number of mutual fund holders who have indicated they might be inclined to redeem their funds. We are concerned about lower price reactions, particularly in the context of long-term financial planning."

—CIBC

"The number of Canadians living on low incomes continues to increase and we are far too dependent on a low dollar for success in international trade."

—The Conference Board of Canada



Peter C. Newman

Paul Martin's real, revolutionary goal

The Finance Minister's "state of the union" address last week was vintage Paul Martin: tough, predictable, idealistic and compelling.

In a government that includes solicitor-general Andy Scott, the minister sworn to uphold the law—who can't make up his mind whether he actually wants—Martin seems a giant. Even if he is hopelessly wrong about not lowering Employment Insurance premiums and equally at odds for not even considering an immediate tax cut, at least he seems to lead a vision of the country in his head, and is not afraid to follow it.

Paul Martin's view of the country is based on his strong feelings that Canada's sovereignty can not be taken for granted, a sentiment he shares with culture mavens Sheila Copps, but few others in the Chrétien ministry. The cabinet chamber has seldom been occupied by such a genius, at least in our history. Ministers are so anxious to please their boss and keep their jobs, that they have no views of their own. This is not what cabinet government is supposed to be about, since constitutionally the prime minister is only the first among equals. Worse than that, it's stupid. If Jean Chrétien continues to keep his old Editor general off E-1, all his ministers are safe in their positions.

Alone among his colleagues, Martin's main preoccupation at the moment, "The nation state," he once told me, describing his main reason for being in public life, "has evolved into a new kind of entity which has suffered a substantial loss of sovereignty." By that he doesn't mean that he wants to become the champion of nationalistic measures that no matter how well meant are bound to be interpreted as being interference. What Martin does want—and what he would do if he ever got the chance to lead the country—is to bring Canada's administrative process into at least the 20th century, so that we would have a chance of surviving at the 21st. That, he believes, would be the best way of protecting the nation's sovereignty. "Central governments such as Canada's," he insists, "have become too small to deal with the big, global problems, yet they remain too large and distant to deal with local concerns—so the challenge is to redefine the role of the central government so its institution that can do a limited number of things well, instead of continuing to pretend it can do everything for everybody."

The most urgent personal priority, which formed the basis of his remarks to the Commonsense Finance committee last week, is to lead the cultural shift required to modernize Canada. Martin privately abhors being identified to a government that regards new ideas as a forbidden territory. His personal mission is to defeat the mind-set in which federal governments have been caught for most of a quarter century. "The real problem started in 1973 during the OPEC oil

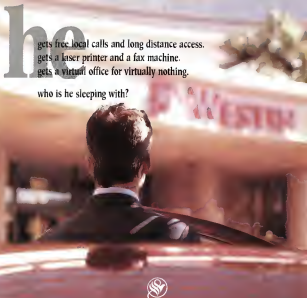
crisis," he claims, "when Pierre Trudeau tried to isolate us by claiming we could withdraw into ourselves and operate on oil prices lower than the rest of the world. From then on, we stopped evolving. When Brian Mulroney took over, he had a tremendous mandate at just the right time, but didn't understand what he was supposed to do. By the time he did, during his second term, he had lost four crucial years and it was too late. You can't keep change on a country without leading the cultural shift that would make it acceptable."

Before Martin entered active politics in 1986, he had been a senior executive at Paul Desmarcs' Power Corporation. Later he bought Canada Steamship Lines from Power and became its chairman and CEO. Still, he is anything but enthralled with the private sector's performance, especially the chartered banks. He has repeatedly insisted that they have been granted tremendous benefits from their monopoly positions and have not lived up to their responsibilities. Bankers who believe that the finance minister will rubber stamp the mergers are dreaming in technicolor. Even before the merger talks started, Martin's inclination was to remove the protections on foreign banks operating in Canada to make the industry totally competitive.

The finance minister's main belief with the bankers remains that they're not financing innovation and not putting out enough risk capital to small and medium-sized businesses. He will be a tough sell on any merger proposition. Martin's grand strategy for Canada was laid out in his 1994 budget which was designed to break the back of the delirious psychology subscribed to by most of his recent predecessors in finance. Achieving balanced budgets was only the most useful

and most immediate of Martin's objectives. That has now been done, with the relatively modest \$1.5 billion surplus announced last week, the first in 28 years. Having licked the deficit, it would be apt to speculate that Martin is not very taken with tackling the country's \$200-billion national debt. But it's a secondary concern. He is bent on higher goals and more exciting targets. Martin never tires of lecturing his outside circle on the cultural skills required to modernize the country. Canada's fundamental problem, he believes, is that over the past few decades, our social objectives have become divorced from increased productivity. That was why the culture of entitlement—the notion that we are entitled to living for politicians just because we voted for them—broke down. And that's why the Paul Martin revolution has just started.

Given the chance, he intends to recast the financial architecture of the country. He leaves how hard that would be, but he also knows that the outer circles of Daniel's helix are reserved for those who don't even try.



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Money goes digital



Mondex study has to develop electronic cash card (below): a new way to pay

Technology is revolutionizing the way people read their newspapers, communicate with their friends, study and learn, shop and pay for bills. It is now beginning to reach into Canada's wallets, beyond credit cards and debit cards, to change the way people pay for small daily purchases they make with cash and small bills. If money, stored on plastic cards containing a powerful computer chip, is the latest frontier of the digital revolution.

For almost two years, since February, 1997, the revolution has been played out in the small southwestern Ontario city of Guelph, where a consortium of major financial institutions has been running a pilot project with its version of the electronic change purse, called Mondex. And beginning next year, the test will be expanded to Sherbrooke, Que. Within five years, says Joanne Le Laurencie, president of Toronto-based Mondex Canada, such cards will be in Canadian wallets across the country. But, she is quick to add, there is no reason yet to roll up the pen and the coin and get the money to the bank before looting and their coffers become obsolete. "We're never going to replace cash," she says, "never on our lifetime."

Led by the Royal Bank of Canada, the Canadian Imperial Bank of Commerce, and the Guelph & Wellington Credit Union Ltd., the Guelph trial has hardly been a modest affair. With about 12,000 Mondex cards distributed, the pilot in Guelph is the first community-wide test of digital cash in North America. Mondex is accepted by about 580 mer-



chants, from Saks and T-Elven stores to the Capistrano-Café Bar, a 35-seat breakfast and lunch place downtown. It is also in use by Guelph Transit and at 636 parking meters. So far, Guelph consumers have spent about \$3 million, with an average transaction valued at about \$7.

Mondex cards are the same size as a credit card, but with a computer chip instead of a magnetic strip. The ones being used in Guelph have a modest eight 1 kilobytes of memory, those being planned for Sherbrooke have 16 kilobytes, and within a year, new cards will have as much as 32 kilobytes, or about the same memory as early personal computers. The chip stores the cash value on the card, and consumers can fill it up from their accounts using one of 26 bank machines in Guelph or one of 636 Visa telephones (distributed by Bell Canada and the banks) that contain a slot for the card. The

card can also be used with a special electronic wallet that allows one cardholder to transfer funds to another.

What makes the card useful for small purchases like a cup of coffee or a newspaper or a transit fare is that it is instant cash without the need to enter a personal identification number. The main drawback: lose the card and the money is gone, like a lost wallet. The card does, however, come with a plastic sleeve that allows people to lock and unlock the chip with a password. That feature slows down the time it takes to pay for a purchase, and many customers stop activating it once they get so accustomed to the card. The sleeve also allows consumers to retrieve their last 30 transactions, showing the amount spent and where.

Can the banks issuing the cards also check to see where and how their customers are spending their money? No, says Allan McGee, vice-president of smart cards at the Royal Bank. Transactions are recorded by merchants with an identifying card number—not a name—and the merchant's deposit to the bank, which can be programmed to occur automatically several times a day, shows only the total amount of Mondex cash. There is no central Mondex computer tracking spending patterns, says Mondex spokeswoman Richard Thomas.

Although the cards have been widely distributed in Guelph, Mondex has not taken the city by storm. A transit system employee, who asked not to be named, says riders rarely use the card, which has to be inserted in a special fare box and kept there for the several seconds it takes to move the money from the card. "It would be exceptional to have Mondex used twice on any regular shift," he says. New versions of the card will allow people to simply hold it near a special receiver at transit turnstiles. Even Mondex backers admit that usage in Guelph has been disappointing. "They're not using it as much as we hoped," says McGee. "What we learned in Guelph and in a number of other locations around the world is that e-cash by itself is a hard sell." People forget their cards at home. Not all merchants accept them, so cash and bills are still needed for many purchases, and people can easily get by without the card. Says De Laurencie: "The reaction is entirely predictable: it's really cool, but I don't need it."

To make Mondex more indispensable to consumers, it will in future be equipped with debit and credit card functions. That way, a single card can be used for credit and debit purchases, typically those with higher prices, and digital cash purchases where prices are usually less than \$10. De Laurencie

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TECHNOLOGY

says there is no plan to issue cash cards by themselves. The cards to be used in Sherbrooke will also function as debit cards, says Jacques Ripstein, an executive with the Caisse Desjardins network of Quebec credit unions, which is participating in the trial.

The new generation of Monnaie cards, which will be in operation in Sherbrooke, can be used for many purposes, including cash, transit tickets, foreign currency, debit, credit, even identification, like a driver's license. David Creach, Gasplus's city administrator who has overseen the installation of Monnaie systems in parking meters, buses and vending machines in community centres recognizes a fewer despite low usage. "It works well," he says. "If you can get additional uses on the card, that's when we'll see usage go up significantly." But the public's privacy concerns may limit that potential. It is unlikely, says McGale, that institutions could get consumer support for one card that would contain personal functions and such features as a driver's license or medical records. Customers would be hesitant to put personal information in a card run by their banks, despite assurances of privacy protection.

Why the effort to introduce a new method of payment when cash has worked for centuries? For merchants and banks, dealing in coins and cash is expensive. Gasplus has one full-time staff who do nothing but count the change from parking meters and buses, Creach notes. For retailers, a recent national survey by the Royal showed that the cost of handling cash runs from 1.5 per cent of sales up to 10 per cent. The security costs of cash are also significant. For merchants, McGale believes, Monnaie makes economic sense. And for the banks, which lose about \$100 million a year to counterfeiting credit and debit cards, there is an incentive to move debit and credit functions to a chip-based system like Monnaie, which is much less susceptible to fraud. McGale says the banks are working with the credit card systems—Visa and MasterCard—to get common standards for chip-based credit cards.

The reaction of Gasplus consumers, however, is somewhat less sure, although at the Capistrano Café owner Peter Tremblay says the people who carry the card like it for its convenience. "They're not looking for change in their pocket," he says. And De Laureville is far from discouraged. New technology, she says, always takes a while to take off, especially when it comes to money. It was no different with credit and debit cards. "In the early years, the view was that this turkey wasn't going to fly," she notes. But by the turn of the century, with about 30 per cent of Canadian consumer purchases now being made with plastic, the banks are betting heavily that digital cash will also take flight.

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WHY COLLEGE GRADS GET JOBS

A tough-minded generation rewrites the rule book of higher education

BY ROBERT SHEPPARD

When the Kanitz twins completed high school in 1989, they went their separate ways. Kristi, the braker, headed to the University of Western Ontario in London—as far from their King City home, north of Toronto, as her scholarship money would take her. Her brother Justin enrolled in auto mechanics at Centennial, a college of applied arts and technology in Toronto. For Kristi Kanitz-Woolsey, the penny dropped when she completed her BA in 1992 and both she and her brother applied to teachers' college at the University of Toronto. Justin was accepted. Kristi was not. "It was a huge blow to my ego," she says, laughing about it now. "I was supposed to be the academic in the family." Indeed, first at her geography class at Western, she transferred to a two-year master's program where she became increasingly disillusioned with the prospect of getting a job in her field. Today, Kristi, 28 and the new manager of a small Waterloo manufacturer of U-bolts—an unusual fit for someone with an MA in international relations—and Justin

teaches in the tech shop of a Toronto high school. Says Kristi: "My father used to say, 'You go to university if you want a challenge, you go to community college to prepare yourself for real life.' And after going to university for six years, I tend to agree with him."

So do an increasing number of today's young people. To a generation scarred by recession and reared on consumer choice, the cultured university degree is fast losing its traditional allure to the more pragmatic college diploma. One reason is cost: the typical diploma carries a tuition of \$1,500 to \$2,200 a year, while the university equivalent is in the \$3,500 range and rising. The second reason is the rush for jobs, for security in an insecure world, that is reshaping social attitudes and the post-secondary answer is its writ. This summer, when management consultant Ernst & Young asked pollster Angus Reid to explore how Canadians felt about jobs and education, 55 per cent of the respondents said a college diploma in a technical occupation was the most valuable type of education they could envision. Only half as many believed a university degree in science would do the trick; only three per cent had faith in a BA. The mood

At St. Lawrence College, a two-year college in Kingston, Ontario, students are learning to work.

PHOTO BY JEFFREY M. HARRIS

has been changing since at least 1993, when Evinco's Research Group Ltd. began asking whether people would direct a high-school graduate to a trade school or university, and subsequent polls showed a widening gap in favor of the former. Parents with university degrees were still keen to see their children follow in their footsteps. But for almost everyone else, including the pollster's top category of professionals, senior administrators and business owners, the job-ready college came out on top.

But never mind what adults think. The real trend in the postsecondary market is that many of the larger colleges report that up to 30 per cent of their students already have a university degree—a phenomenon that has been growing rapidly across the country for several years. That trend has on average lowered and universities reducing their rates as students question the value of investing six or seven years to get the right mix of the theoretical and the practical. Stephen Quinlan, president of Toronto's Seneca College, the largest in the country, puts what he calls "the great school of choice" for nearly York University.

Job-ready colleges are becoming 'the finishing school of choice' for many university grads

At Waddington's Red River College, 15 of the 30 students seeking an advanced diploma in geographic information systems technology have a university background.

Meanwhile, Thomas Wood, president of Mount Royal College in Calgary, says that the huge growth in their student body has largely been due to transfer students, returning those moving back and forth between a college and a university campus. A notable, some say advanced, feature in the western provinces, the transfer system has been growing in small steps across the country and is designed to allow students to find their way at a local college before transferring on, credits intact, to a university. But in the West at least, the transfer system may be working more to the advantage of the college sector. "Right now," says Wood, "we are receiving more students transferring to this transferring out."

For a sign of the times, consider the case of Joe Albert, 34, a project manager with the Senior Alliance of telephone companies in Ottawa. Four years ago, when the hardware firm he was working for in Vermont, N.S., went under, he had a decision to make: whether to ditch the university degree he had started in his 20s, or pursue a three-year computer-aided technician course at the Nova Scotia Community College. He chose the latter. "The reason I went from a business background to acquire a technical degree, only to go back to the business situation and management side," says Albert. "But that was my game plan when I went back to school and it worked out almost perfectly."

Then there is Bryan Thompson, 33, currently taking a two-credit course at Durham College in Oshawa, Ont. Thompson already has two degrees under his

belt: a bachelor of commerce and a bachelor of arts, specializing in labor relations, from McMaster University in Hamilton. "I was steered in the direction of university because my grades were really good," says Thompson. "I kind of resent that because what I am doing now I should have been doing six years ago." His buddies who went to Durham after high school can have careers of their own and are starting families. Thompson is living in an apartment with his girlfriend and paying off the remaining portion of a \$85,000 university bill. "In my day, colleges were for people who couldn't make the grade in high school, who couldn't do their O/C's, which is just wrong."

Universities are alert to the trend. Says York University president Loren Marsden: "We are certainly becoming much more aware of what's really going on by virtue of students' feet." Work is one of those at the forefront of those, at least in Ontario, trying to shorten the learning experience for students by negotiating program-specific agreements with certain colleges—"without giving up our hard-earned name," says Marsden. But will that be enough?

After 30 years of being the junior partner in the country's postsecondary system, Canada's colleges are starting to show what Seneca's Quinlan likes to call "upstart tendencies." Seneca's most recent exploit—a 34,000-square-meter building of its own, smack in the middle of the York University campus—is a case in point. The high-tech outpost, scheduled to open in the spring, will house 4,000 college students and whatever university ones come around seeking technical skills. Interest is such that work has already begun on an expansionary second phase. A modest, 1,100-square metres is being set aside in case York wants to set up any high-tech labs itself.

Noble as arts, Canada's colleges have become so flush with their ability to place students in real jobs—most boast a success rate in the range of 90 per cent—that nothing seems to daunt them. Colleges are in the business of producing not only welders and machinists, but world-class chefs, a new generation of multi-disciplinary healthcare



WORKING WAYS
Polinsky (above) and Durham College after Thompson (left) a welder's course and a straight route into the job market—something he wishes he had chosen six years ago, before he picked up two university degrees and \$85,000 in personal debt

workers—and without animosity for Nebraska and Disney. Need more computer technicians? Seneca says it can produce as many as any university can, and at half the cost. But this may be changing apples and oranges. Colleges produce more of the well-paid workers in information technology, the ones who set up and monitor a company's computer networks. Universities tend to provide the more analytical programmers.

In Alberta and Quebec, colleges have taken regional calls for more technical and managerial training for the armed forces. Quebec's CEGEPs, with a 30-year tradition as mandatory feeder schools for the province's universities, are also showing signs of branching out. Developing specialty programs that are attracting out-of-province students. But the big push is coming in the field of apprenticeship training. Federal cabinets in finding for trade programs, and a growing dearth of senior programmers to train apprentices, have persuaded some provinces to push a larger proportion of the job into the hands of colleges, resulting in the case in Wayne Swanson, president of the Ontario Federation of Labour, sees a danger in college-run

workers—and without animosity for Nebraska and Disney. Need more computer technicians? Seneca says it can produce as many as any university can, and at half the cost. But this may be changing apples and oranges. Colleges produce more of the well-paid workers in information technology, the ones who set up and monitor a company's computer networks. Universities tend to provide the more analytical programmers.

Many business leaders—and many universities—agree that a degree is worth more in the job market and offers better protection against an economic downturn. It may. But with the recent movement between universities and colleges, the value of a single undergraduate degree is becoming harder to measure. What is unassailable is the penalty for stopping at high school. Between 1990 and 1994, the number of jobs for those without a degree or college diploma fell by 93,000, while employment for those with a postsecondary credential increased by more than 2.4 million.

But scratch the surface and it is more than just the old mill shops—"John, John, John"—that are the cause of the problem. Eighteen-year-old Tammy Walsh from Cold Lake, Alta., had her choice

of universities and was thinking only along those lines when she completed high school last year. But her armed forces family was moving to Calgary, and she followed her guidance counselor's advice, enrolling in Calgary's Mount Royal College in a two-year program aimed at helping people with disabilities. Walsh believes the will "most likely" go on to university. Alberta's transfer system enables her to apply her college credits towards a university degree—but this year is opposite her eyes to other options, including colleges in the United States. "We are a close-knit group here—small classes, my teachers know me by name," says Walsh. "I know people who went to Mount Royal first and then to university and didn't like it. I'll have to see."

Raised in Kenilworth, N.S., 19-year-old Christine Delbridge has her sights set on an engineering degree at the University of New Brunswick. But she also wants to complete a two-year surveying course at Acadia College of the Nova Scotia Community College. "I want to get a skill to support myself during university," says Delbridge. "I didn't want to come out of university owing a lot of money." Money was also a concern for 21-year-old Carrie Basso, completing a two-year program in developmental services at Fanshawe College in London, Ont. She is not too far from the mark: "A lot of my friends are going to university and they have no real direction. I think college would give me more direction and it has."

"This is a tough generation," says Durham's Polinsky. "They are more like their grandparents' generation than their parents'. People in their early 20s have lived much of their life in a recession, and they will always be wary of economic peril." Indeed, today's college student, with an average age of 26, is slightly older than his or her university counterparts and has spent more time in the workforce, often being laid-off in times of job loss. In Durham, Polinsky estimates that about 3,000 of the 4,500 full-time students have children and many are single parents juggling jobs and kids.

For many, college is not a place to find yourself, but it still can be a destination for those who want to change the world. At the McMaster University for Applied Health Sciences in downtown Toronto, 46 students came in as age from 18 to their mid-40s are paying \$8,500 a year for a four-year program in acupuncture and Oriental medicine. "When I tell my friends what I am doing, they always ask two things," says Elizabeth Aubrey. "Can you be a mom? And 'You're paying how much?'"

Like the situation program at Sheridan College in Ontario, that, which has a similar tuition and is being copied across the country, McMaster's acupuncture program is one of those godsend for college administrators—a high-end career that helps offset progressive years of government cutbacks. Tuition in the times the cost of an annual college program, nearly three times that of a bachelor's degree. But for the students involved, it is something that is well. "We are the pioneers," says Aubrey. "I would be in tremendous demand." Indeed, nearby Mount Saint Hospital has just signed an agreement with McMaster to use the graduates in a new approach: clean to treat cancer patients and others whose pain can not be controlled well by conventional drugs. Adds fellow student Steven Joseph, 25: "This is not something strictly for the Oriental community. We are going to be the bridge to Western society."



PIONEERING Acupuncture students practice on each other as McMaster's Dr. Adam Chen looks on.

In an age of perilous government support, even the slightest shift in student preference can disrupt the postsecondary universe. The current demand for cheaper, more relevant education is not lost on the universities. When colleges such as Durham in west-end Toronto moved to offer a variety of one-year certificates for those with university degrees or advanced standing, several universities followed suit, with similar offerings in their own. In the past several years, a wide range of creative partnerships have taken shape, from the dedicated university buildings springing up on college campuses to joint ownership of facilities where common programs are taught.

The most creative partnerships have taken place in the West—generally in British Columbia, but also in Alberta, Saskatchewan and Manitoba—and at the University College of Cape Breton in Nova Scotia. With some exceptions, students can take advantage of credit transfer between colleges, universities, and in British Columbia's case, the new hybrid university colleges in situations that grant both diplomas and degrees. Half those studying for an undergraduate certificate in British Columbia today are not doing so at a traditional university.

Stadeinrich Ontario has experimented with some limited transfer arrangements between universities and colleges, negotiated by individual institutions. "It's the wave of the future," says University of Western Ontario president Paul Davenport. "But the western model does not work here. We have more than enough degree-granting institutions." Ontario universities have been especially unwilling to allow

continuing college to grant that most sacred of purchases—the applied or associate degree. "Look," says Harvey Weinberger, provost at McMaster University. "It's a jungle out there. The fact is, we need the tuition revenue. In Ontario, we have 17 universities beating each other's brains out, and competing with community colleges as well." There is much college and universities can do together, he says, "but there is a distinction in philosophy between universities and colleges, and that should be reflected in the credential that is given."

That objection shows in many colleges' crest. "Anything that takes away credit on focus is like a death," says Polinsky. "But in the 30 years we have been around, our programs have become just as sophisticated as the universities. We focus on application. They focus

on analysis. But wherever you find application in less rigorous" (The global credential is the degree, says Polinsky, not the diploma or the course certificate). Not having a degree at leaving college graduates focus on working or furthering their studies abroad. Indeed, he says, he knows of one Durham grad working as a consultant who was stopped at the border while on a job because U.S. customs officials would not accept his diploma as a professional credential.

Many universities and colleges struck a compromise at the beginning of the year to manage the issue. But so far, no work seems hanging up on the objection of some of the larger universities who are unwilling to compromise. "We are not asking for parity," says Polinsky. "All we want is for our engineering tech grads, with good grades, to be granted standing at universities so they can get a degree in two years if they want."

Under universities, hampered by governing senates and hundred years of tradition, colleges are much more free to spin on a dime and offer courses on the latest computer or health-care technology—whatever the market will bear. "I spend my days talking to business people, trying to find what they want," says Seneca's Quinlan. His tactic for not being hounded by halfhearted ideas he asks companies for a commitment to hire Seneca grads three years down the line if he sets up a program, or to loan him that \$100,000 price of new equipment for training. College presidents say they can set a new program in place in anywhere, from six months to a year, depending on the availability of the training materials and instructors. "It's tough to do," says McMaster president Rosalee Krüger. "But otherwise, the world passes you by."

The result, though, is that these programs continue to shift and change loose—and are often out back if the jobs do not materialize. Now, as much as half of a college's budget can come from "earned

income," which includes such high-station specialty programs as aviation or acupuncture, and law-and-justice training for GED or the local bar exam and other. The quote is \$400,000 and more is added. In Ontario's 25 community colleges with \$20 billion in debt at the end of 1997, preliminary figures suggest they are chalking out of that hole, but are doing so in part by opening their doors to students with non-academic credentials between 1994 and 1996, the number of these entering colleges on the basis of job-related experience—and short interviews—jumped from 141 to 2,787 in Ontario alone.

When they were created in the 1960s, colleges of social and educational advancement, colleges were designed at large measure to deal with the fallout from the baby boom, to cushion the entrance to the job market of a growing number of young people. Since then, they have evolved in many ways—skills academies, career reshapers, online facilities for even or even parables in lateral services workers. Now, they are providing the final frontier: international responsibility.

Developing countries are trying to get their feet wet and bright out to become doctors or engineers at North American universities only to see them stay. With Canadian colleges helping their computer or health-care technicians return right to Calk or Trinidad, these countries are now able to envision building their own infrastructure. Toronto's Seneca earned \$10 million last year, 20 percent of its revenue, as international ventures mostly in developing countries. Together, the country's colleges have been involved in at least 300 educational development projects in 20 countries. Seneca College in Windsor and Camosun in Victoria have joined forces to develop a program on child care standards at the University of Hanoi in Vietnam. Grant MacEwan Community College in Edmonton recently established an office in northern Russia to maintain contact with the graduates of its health-care administration programs. On the Great Canada trade mission to Latin America earlier this year, Seneca's Polinsky was the big draw at breakfast business meetings, surprising many who wondered why they were alone in the first place.

The irony is that colleges can sell abroad what many of them cannot sell at home—a cultural system of flexible postsecondary education. "The advantage of the community college is its tremendous sense of place," observes Jay Hoang, head of Nova Scotia Community College, a single administrator body with 15 campuses. "You cannot transfer in any way that gives you access to the communities they serve." But at the same time, he says, "that old dichotomy between 'educational' and 'training' is rapidly falling away. Students are moving back and forth between college and university. They pay it, they pay out of the north door. When this happens, suddenly Canada needs, in greater clarity in the roles of colleges and universities and a seamless transition to the delivery of students can be reduced." How easy it will be, given their years of mutual mistrust and competition, for the institutions of higher education to master that sort of clarity is anybody's guess. But for the generation of students, with a right grip on their education, the answer on the old barriers and attitudes has already begun. □

FULL-TIME ENROLMENT



SOURCE: STATISTICS CANADA



HELPING HANDS: Mount Royal's Walsh, with Jennifer Kneishke, can apply her credits to a degree.

WHERE THE JOBS ARE



BY D'ARCY JENISH

Shelton Levy may be a major player in preparing Canadian students for the 21st century. And yet here he is, seated in the spartan president's office at Sheridan College in Oakville, Ont., with his tie loose, his face flush, expounding on Gutenberg's revolutionary 15th-century invention—the printing press. Moments later, he's on to one of the great technological leaps of this century: the wiring of cities, towns and rural areas for electricity. Levy believes that history contains pivotal lessons for the information age. “People were initially fascinated with the technology of the printing press, but soon realized that it was the quality of the books that counted,” he says. “Hydra is now taken for granted, but the economy is built on the applications we plug into the wall. I say to young people: ‘Don’t get overly impressed by technology. What’s important is the ability to communicate and the quality of the content.’”

Frank Stronachsky might beg to differ, and he, too, leads on a visitation—George Brown College in Toronto—that is preparing

students for careers in the new century. He believes that technology will fuel hundreds of thousands of jobs for the foreseeable future. As one example, he cites the predominance of such micro-electronic devices as computer chips and semi-conductors, used in everything from heating aids to automated teller machines to hand-held garage door openers. With the support of 15 industrial partners, George Brown has responded by creating a Centre for Advanced Micro-electronic Technology, scheduled to begin admitting 168 students next September. “Micro-electronics is a foundation technology for the information age,” says Stronachsky, “just as steel was a foundation for the industrial age.”

Neither president has a crystal ball, but one thing is certain: like all college educators, they face the challenge of ensuring that their students graduate with marketable skills. And that challenge has never been tougher, given the rate at which established technologies are changing and new ones emerging. “There is no accurate system for predicting demand for specific jobs,” says Michael Bloom, principal research associate with the Ottawa-based Con-

ference Board of Canada, a private, non-profit organization that studies economic and educational trends. “The more detailed you get, the harder it is to give direct advice.”

Still, Bloom and others agree that Canada will need more knowledge workers, including professionals such as engineers and architects, as well as college-trained technicians for manufacturing, construction, information technology and other fields. “This trend is already well documented,” says Bloom, noting that knowledge workers represented 13.1 per cent of the labour force in 1996, up from 6.8 per cent 25 years earlier. Employers are not only looking for specific skills acquired in an academic setting, but are placing much more emphasis on personal attributes, such as the ability to communicate effectively, work well with others and display initiative. Says Bloom, “Technical knowledge gives you an advantage, but you need other skills as well.”

Technological change is an understandable preoccupation of both students and educators. But changing demographics will create employment opportunities and increased demand for many services. Paul Byrne, president of Grant MacEwan Community

College in Edmonton, predicts a huge loss of experience and knowledge in the next decade as members of the baby boom generation hit 65, or take early retirement. Young people, many of them now in college, will have to fill the vacancies and knowledge gap, he says. The aging of the population, others believe, will increase the demand for financial planning, wealth management, health care, travel counselling and other services. “These are exciting times,” says Byrne. “But educators and students have to remember what Darwin said: It’s not necessarily the strongest or the smartest who is going to survive in the long run, it’s the one who is the most adaptable.”

For educators, that means adjusting course content to keep up with a rapidly changing world. For the student, it means finding a studying area of study, and one that will lead to a good job. “It is a much more complicated choice for the student than it used to be,” says Ray Irving, president of the Halifax-based Nova Scotia Community College. “I still believe they should make a selection based on what they enjoy because education needs to be a labor of love. But it’s absolutely essential to do some research about the employment prospects, and to make an informed decision.” □



HIGH DEMAND Sharabek relishes the fast-paced, high-growth computer world

INFORMATION TECHNOLOGY

Nine years ago, Sean Sharabek sliced the tip off two of his fingers in an industrial accident. After undergoing surgery to have them reattached, he spent a couple of months recovering—months that he now sees as a turning point in his life. Up until then, the high school dropout had held a series of jobs in the construction industry. Before his injury, he had taken a one-year college course in process control fabrication that had included some computer training, and by the winter of 1991 was enrolled full-time in a three-year computer technology program at Algonquin College in the Ottawa suburb of Nepean. Sharabek worked as a part-time troubleshooter at a high-tech firm while studying, and after graduating, landed a dream job for a lifelong hobby: job manager of computer and Internet services with the NEI's Ottawa分公司. Sharabek is responsible for the club's information systems, which includes the computer technology required to produce everything from sales statistics to routine bills. Says Sharabek, now 38, "In some ways, it's just like any other computer job. What makes it great is that it's hectic, and it's always a challenge."

Arnon Miller says similar things about his job as a programmer/analyst with the City of Saskatoon. And like Sharabek, he followed a circuitous path to a college diploma and a job in computer science on a farm in Carleton Place, 300 km northwest of Toronto. Miller spent five years at the Uni-

versity of Saskatchewan but still wound up several credits short of a degree in agricultural chemistry. His next stop, which lasted a year, was a laborer's job with a farm implements manufacturer. Finally, in the fall of 1986, he enrolled in a two-year computer systems program at the Saskatchewan Institute of Applied Science and Technology in Saskatoon. It proved to be as magical elixir: "I had an job offer coming out," he says, "and our company wanted me to start ten months before I was done school." Now 28, he is part of a team embedding new software to process tax assessments, notices and bills. The goal of the project, a joint venture involving the city and a Vancouver company, is to produce a customized program that risk is minimized to other municipalities.

In the fast-paced, high-growth world of IT—information technology—Miller's experience is not unusual. Opportunity often leads before the diploma are even handed out. Excitingly, recruiters are turning to colleges for graduates who can set up software programs or computer networks within businesses, industries and government departments. "They're all trying to find people who can implement," says Paul Sawagood, president of the Ottawa-based Software Human Resource Council of Canada. "We need PhDs working on what we do. There's tremendous potential for college graduates to be the make-or-buy people."

DARCY JENSH

MANUFACTURING

Stephen Van Houten, president of the Toronto-based Alliance of Manufacturers and Exporters Canada, is outlining the complexities of contemporary manufacturing. Take, for example, an auto assembly line producing full-size luxury vehicles. A white model requiring red velvet seats is coming down the line, followed by a blue model needing grey velvet seats. As the first vehicle arrives at the assembler's station, a factory door opens and the correct seats arrive—what he calls just-in-time delivery. "Someone has to run the computer software programs that pick that kind of efficiency," says Van Houten, "and someone out of college can be immensely suitable."

Suitable, and in high demand. Gerald Fedichin, president of the Toronto-based Automotive Parts Manufacturers Association predicts that over the next 10 years there will be a shortage of 14,000 skilled tradesmen in the Ontario parts industry. Those workers, he says, can now earn base salaries of \$60,000 annually and up to \$100,000 with overtime. Says Fedichin, "Technology graduates from the college system have placement rates in excess of 90 per cent."

For Jay Linka, 25, a graduate in electronics engineering technology from Nova Scotia Community College in Halifax, a diploma was the ticket to a good job. Linka, enrolled in a two-year program in 1993 after failing to find satisfactory employment with a business administration degree from Dalhousie University. In fact, he says, "I went to work in a lab in my hometown in law's dry-cleaning facility." When he finished his college program in 1995, he had a job waiting for him. Neural Ltd., which manufactures broadcast transmitters for radio stations, hired him as an entry-level development technologist and later gave him a more demanding position as a custom product technologist. Linka relies on a computer to design new base transmitters, with their complex internal electronic circuits, and tests the prototypes before the final thing is manufactured and goes on sale. "We use computers for everything," he says. "It's rewarding. There are always new innovations on the horizon."

Wendy Orl, native Jean Poirier, 25, holds her work equally rewarding. After graduating in 1994 with a diploma in mechanical engineering technology from the city's St. Clair College of Applied Arts and Technology, he went to work as a designer with a small local firm, Arkins Tool and Mould Inc. With the aid of sophisticated three-dimensional computer imaging, he designs moulds used to produce plastic parts for automobiles, refrigerators, photocopiers and many other products in a cutting-edge shop. "It's very, very challenging every day."

D.J.



ADVENTURE Ladder, a specialist in exotic locales, is looking to Nepal next spring

TOURISM AND HOSPITALITY

Sibel Gelbati has an endearing weakness for the ward goods, especially when she talks about the hotel business, her chosen line of work. After graduating in 1993 from Humber College in Charlotte, Ontario with a hotel and restaurant management diploma, she started her career on the front desk at the Algonquin, a resort in St. Andrews, N.B. The 25-year-old now coordinates group sales of room reservations and business meetings at The Pillmer in Calgary. And there are two things she particularly likes about the hospitality industry. First, there are the people. "Gosh, you can meet anybody in this business," she says. "I used to get excited when celebrities like Blue Rodeo or Sarah McLachlan walked up to the front desk. Now it's the politicians. I met Frank McKenna in the lobby last other day and we chatted for quite a while." Then, there are the career opportunities. "Gosh," she says, "you can work anywhere in the world."

The prospects in Canada are pretty strong as well. Tourism and hospitality have been growth industries for several years, according to most experts. According to the Canadian Tourism Commission in Ottawa, total tourism spending has increased in each of the past five years, reaching a record \$44 billion in 1997. The trend is expected to continue as the irrepressible future. Wendy Swedlow, president of the national coordinating office of the Canadian Tourism Human Resource Council in Ottawa, says that 1.2 million people—approximately 10 per cent of the country's labor force—work in tourism-related businesses such as travel agencies, hotels, resorts and restaurants. Employment is growing at a rate of 2.5 per

cent annually, compared with 1.6 per cent for the entire work force, says Swedlow. "There are a lot of entry-level positions that people call McJobs," she says. "If people want to stay in the industry, we encourage them to get some postsecondary education because there are entrepreneurial, management and professional opportunities across the sector."

As the travel business underpins major changes, new jobs are emerging. Canada is becoming a popular winter destination, and more people are travelling in the so-called shoulder seasons—spring and fall. As well, new firms are developing, such as eco-tourism. Several colleges have responded by offering diploma studies specializing in this type of travel. "It can't help but grow," says Allen MacPherson, coordinator of the restaurant management program at the Humber College, out campus of St. Lawrence College. "More people are retiring early. They're looking to keep it and continue learning. They don't want to sit at home doing nothing."

That type of client frequently sends out Sibel Gelbati, a travel consultant at Worldwide Adventurers in Toronto, to book a hiking holiday in Nepal or a cycling trip in Vietnam. The 25-year-old Gelbati, who was born in Canada but spent her childhood in England and Malaysia, earned a travel counsellor diploma at Ottawa's Algonquin College, and then enrolled in St. Lawrence's eco-tourism program. She has participated in one of her employer's Peruvian programs and is slated to visit Nepal next spring. "My love of the outdoors attracted me to the field," says Gelbati. "And it's exciting for our clients—It's usually booking a trip of a lifetime for them."

DARCY JENSH

HUMAN RESOURCES

There is nothing glamorous about the cramped basement office where Maria Woodley spends her working hours. But this 30-year-old Bismarck native is usually the busy is normal about her surroundings. As director of human resources at the small, upscale Coast Pointe Resort Hotel & Spa, which overlooks the harbor in downtown Victoria, Woodley is responsible for the hiring and training of 250 employees, and she was recently assigned another hotel with a staff of 100 owned by her employer. It is a rewarding, but challenging, position, says Woodley, who worked in the hotel's newspaper department while studying part time at Victoria's Capstan College. She was appointed director in November 1996, but did not graduate until the following spring. "There were times when I felt overwhelmed," admits Woodley. "But that usually sort of as a director."

Most graduates start as entry-level positions, writing job descriptions or conducting preliminary interviews. From there, however, there is plenty of opportunity to look for more demanding work. The field of human resources has grown to include negotiating contracts with unionized employees, managing benefits programs, organizing professional development seminars, and handling sexual harassment complaints and equity issues. "The bigger your company gets, the more human resource issues it has to deal with," says Bruce Ouellet, president of the Human Resources Professionals Association of Ontario. "The line has to be a bit."

Since 1988, membership in Ouellet's association alone has grown



STRATEGIC PROFESSION Woodley, at Victoria's Coast Pointe, oversees staff at two hotels.

to 43,000 from 5,000. Many corporations have added personnel to their human resources departments, recognizing their strategic importance. "The profession has been changing over the past five or six years," says Paul Smith, senior vice-president of human resources with B.C. Tel in Burnaby, B.C. "The United States has led the way in the value placed on human resource professionals. They're now paid at the same level as operations and financial managers. That's just new."

D'ARCY JENSH with **SARAH SCHMIDT** in Victoria

HEALTHCARE

Mindy Kohn studies the baby block and while image pulsating on her small computer screen. She is looking for trouble spots on a patient's heart, dark areas that indicate lack of blood due to a blocked artery—and possibly a byproduct of atherosclerosis to correct the problem. Kohn, 23, is a nuclear medicine technology worker in a Toronto clinic. On a typical day, she sees up to 15 patients, who have been referred by physicians and may be suffering from cancer, heart disease, osteoporosis or other ailments. Kohn gives them small injections of a radioactive solution that will accumulate in the afflicted organ or tissue, and then takes pictures with a sophisticated imaging device known as a gamma camera. She gives the images, along with her analysis, to a radiologist who makes a diagnosis, which she then gives to the referring physician.

Kohn graduated in 1997 after completing a five-year course at the McMaster Institute for Applied Health Sciences, a Toronto college that trains technicians to operate complex diagnostic equipment—ultrasound machines and magnetic resonance imaging units, among others. With only 600 full-time students, McMaster's enrollment is small, but professor Ronald Kiskadee notes that 30 per cent of graduates find related employment within six months of graduation. And she believes the demand for McMaster's highly trained technicians will only increase as the baby boomers begin



INTERMEDIATES Massage has become a home industry for grad Macdonald.

to retire. In fact, Statistics Canada estimates that the number of Canadians over 65 will increase by about one million, to 41 million, by the year 2010. "Prenatal and baby boomers," says Kiskadee, "are getting to the age where they need these kinds of diagnostic procedures."

At the other end of the medical spectrum, natural healing practitioners are incorporating alternative tools from a health care across population. "Baby boomers want to stay healthy," says Cheryl Kohn, co-ordinator of the holistic health practitioner college at Grant MacEwan Community College in Edmonton. "Alternative health treats those needs by promoting long term health and well-being."

Those personal holistic programs should be foremost, the best opportunities often mean starting your own business, and buying an entrepreneurial streak is an asset. Sandra Macdonald, a massage therapist who graduated from Grant MacEwan in 1997, worked briefly for an established clinic, but has developed a flourishing practice in her Edmonton home. Her clients include people with cancer and multiple sclerosis, who want relief from pain or stress, or accident victims suffering from whiplash and healthy individuals who simply enjoy a massage. "It can be a hard job at first," warns Macdonald. "But you have to pound the pavement and market yourself."

D.J.

FINANCIAL PLANNING

Business cycles are big, cyclical phenomena that can create jobs and wealth in one profession, while triggering layoffs and financial pain in another. The current turmoil in institutional markets has been heard on the financial services industry, sparking investors and leading to layoffs at brokerage houses. Yet most observers believe that the long-term prospects remain sound. "Ultimately, it's a huge growth industry," says Rick Carter, a Toronto-based financial planner with FCG Securities. "You've got the whole demographic shift, the aging of the population, which increases the need for wealth management. And people have made a dramatic shift out of guaranteed income certificates and into more sophisticated investments, namely mutual funds and stocks. They require advice."

But getting started in financial services can be difficult. Alastor Nathan, now 35, worked for 15 years in convenience stores and real estate ventures owned by his family before enrolling in a two-year business finance and investment management program at Vancouver's UBC Okanagan College in 1995. While attending college, he took the Canadian Securities Course, a prerequisite for becoming a licensed broker in most provinces. After graduating, Nathan landed a job with one Vancouver brokerage house and quickly jumped to sales. During his first year, he earned only \$25,000 in commissions, but anticipated a more lucrative income as he establishes himself. "After 10 years in the business, a broker should be able to make at least a couple hundred thousand dollars annually," says Nathan. "They want me to succeed."

Carter says that competition for sales positions within the industry is so stiff that many people start in entry-level support or administrative positions before getting an opportunity to advise clients. His own business is a case in point, where he placed an ad for an assistant, reportedly, approximately 150 applicants responded—and most had the licenses necessary to trade securities. "It's a good career for young people, but they need to get in somewhere," says Carter. "It's a business of trust and knowledge."

D.J.



DIGITAL TALENTS Jenish specializes in final edits of feature films, TV series, commercials.

COMMUNICATIONS

Dan Whitman has a little secret he'd like to keep from his company's clients. The call centre editor with Toronto's The Post Group specializes in final edits of feature films, TV movies and commercials—and he would prefer to keep his age under wraps. Whitman concentrates on special effects for commercials and, with the aid of sophisticated computer editing equipment, can always be image or make it blurry, turn a blur into a mosaic or cut or alter backgrounds to suit a client's taste. Whitman always works with an audience: representatives of the advertiser, the ad agency, the film company and entertainment—the production watch closely as he sits before a large computer screen. "I love doing this," he says. "But I don't tell them how old I am because I don't know how they'd feel about someone my age editing their \$200,000 commercials."

To date, nobody has asked. The talented Whitman, now 25, joined his current employer in the spring of 1997, shortly after graduating with a three-year diploma in diploma from Sheridan College in Oakville, Ont. For many employees in the communications industry, talent is more important than age. They need skilled editors, animators and camera operators, among others, to create content for the ever-expanding world of communications technology. "We are well equipped in the Information Age," says Robin Rago, Sheridan's director of multimedia, arts and design, one of several departments train-

ing skilled workers for the communications industry. "Our ability to deliver information from one place to another is increasing exponentially. But as we develop more capacity, there is a corresponding need for good content and good communications."

The Information Age is a product of technical innovation, and the technology is evolving rapidly and in new directions. One of the fastest-growing areas is wireless communications, which includes cell phones and pagers, mobile media systems used by police, ambulance and fire departments, and global positioning systems, devices that send and receive information from communication satellites and allow mariners, boaters and others to chart their positions. That helps explain why Scott Weir, 23, had four job offers waiting for him in 1994. Graduating as an electronics engineering technician, with a specialty in telecommunications, from Canadore College in Kirkland Lake, he accepted a position as a communications technician with COM DEV Ltd. in nearby Canada. The responsibilities include maintaining the complex equipment used to produce multiplexers, devices attached to communications satellites to scramble and unscramble signals. "Wireless is one of the biggest growth industries in the country right now," says Marc Chown, communications director with the Ottawa-based Canadian Wireless Telecommunications Association. "There's a tremendous shortage of skilled workers in the field."

D'ARCY JENISH with **JERRY SCHMIDT** in Toronto



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Health

Seeing pet abuse as a warning

As a director of Martha House, a shelter for battered women in Hamilton, Lenore Lakeland-Foss has heard all the heartbreaking stories. And not all the victims are human. When one woman living in the 38-bed shelter went home to retrieve a few belongings while her husband was at work, she found her cat had been taken—strung up by a noose and left dangling where she would find it. "The message is 'You're next,'" says Lakeland-Foss of the incident and numerous others like it. "It's one more way alphas try to control their victims." Some women, in fact, stay in a violent situation because they fear for a pet's safety.



Zeke with injured dog: a strong link between animal abuse and other domestic violence

or are reluctant to separate their children from a beloved animal. Knowing that, Martha House has found volunteers to care for a cat or dog while a family is in the shelter. "For some of these women, the pet is a family member," says Lakeland-Foss, "and the only one giving it any love." But moving beyond that, the shelter is now participating in a groundbreaking program aimed at increasing awareness of the links between animal abuse and violence against humans.

Launched last month by the Ontario Society for the Prevention of Cruelty to Animals, the program is the first of its kind in Canada. Its goal is to establish better communications among the various organizations—social services, health, animal welfare, education, and legal and law enforcement—to help them all serve in time to prevent all types of abuse. When an OSPCA inspector, for instance, investigates a case of animal abuse, he or she might then notify the local children's

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HEALTH

and society about the violence in the home. According to Vicki Earle, chief executive officer of the Newmarket, Ont.-based OSFCA, such organizations across Canada do occasionally work together, but only on an informal, sporadic basis. A unified, consistent approach will prove more effective, she predicts. "We should not just accept that we have to live with violence," says Earle. "The majority of us want to live in a safe and compassionate community and I've worried that we should be working together towards that."

At times, it's children—often, but not always, victims of abuse themselves—who connect atrocities against animals. Social scientists, among others, have long been concerned that such activity can be a warning sign of worse to come. Noted anthropologist Margaret Mead in 1964. "One of the most dangerous things that can happen to a child is to kill or torture an animal and get away with it." The FBI was one of the first law enforcement agencies to seriously examine the phenomenon. Barrows research

in the late 1970s showed that 30 per cent of convicted multiple murderers had intentionally killed animals, or repeated suffering on animals to children, and 46 per cent did so as teenagers.

Some of the more notorious murderers fit that profile. Jeffrey Dahmer, a Milwaukee candy-factory worker who confessed in 1981 to murdering 17 men and boys and establishing some of them, included the skulls of small animals in his yard where he was a boy. Russell Weston Jr., the armed man who went into the Capitol building in Washington in July and allegedly shot two police officers, had killed his grandfather's 14 cats just days before. Little research has been done in Canada, but the notorious Marc Legue, who gunned down 16 women at Montreal's Ecole polytechnique with a semi-automatic rifle in 1989, had a history of gratuitously shooting puppies. And Paul Bernardo, convicted in 1995 of the first-degree murder of two teenage girls, killed wife Karla Homolka's guinea after it bit him, and then they ate the animal.

The good news is that early intervention often works with children who abuse animals. Or so psychologist Randall Lockwood puts it. "You can interrupt the trajectory of violence." Vice-president of training initiatives with the Washington-based Humane Society of the United States, Lockwood can cite many cases where children who received treatment after submitting animals have subsequently stayed out of trouble. Chilling statistics suggest that the other side is to risk seeing those people go on to commit other kinds of abuse. Canadian and U.S. research shows that among pet owners, women seeking psychiatric treatment, 70 per cent had their pets depressed, hurt or killed by their abusive partners. And abusive husbands reported a family history of animal abuse. As the message spreads, Lockwood says law enforcement officials are taking animal abuse far more seriously. "They realize the time you spend now responding to juveniles setting fire to dogs, or to adults abusing animals," he says, "is time that you're going to save at the other end."

The message is spreading in Canada as well. The Toronto police force signed an memorandum of understanding with the OSFCA's violence unit, and is now bringing to the issue of training personnel. Earle is online with police in neighboring communities about joining the program. Sgt. Nadia Hordynsky of Toronto's community policing unit says she and her fellow officers needed little convincing. "If we can have the potential for reducing domestic violence and child abuse," she says, "we will participate." For those who care about reducing violence, the household pet is once again mankind's best friend.

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The Nobel Prize

The right stuff

Saluting great achievements in peace and science

BY MARK NICHOLS

Relations between the two men are cool, bordering on icy, as could be expected between leaders who represented opposite sides in the religious and political struggle that has bedeviled Northern Ireland in blood for three decades. Yet for years, Catholic political leader John Hume and his Protestant opposite number, David Trimble, have sought to find a way out of recurring patterns of violence. With other leaders, they played prominent roles in securing a fragile peace under the Good Friday agreement, hammered out in Belfast on April 10. Later, when all the signs suggested the No safe would triumph in the May 22 referendum on the accord, Hume and Trimble appeared on a Belfast stage with the Irish rock star Bono, who hosted the men's arms into the air. That moment created an indelible image of hope that is credited with helping the Yes side to achieve victory.

In honor of their dogged efforts, a committee of Norwegian judges in Oslo last week named Hume and Trimble joint recipients of the 1998 Nobel Peace Prize. Gen. John de Chastelain, Canada's former chief of the defence staff who is in charge of efforts to negotiate disarmament among Ulster's last-remaining militants, declared: "It's serendipitous—I think this award will be helpful to the peace process. Things are happening in Northern Ireland now that would have been



Trimble (left) and Hume in May, the Ulster peace initiative took "great political courage"

unthinkable a short time ago—and they keep on happening. I think it's going to work out in the end."

The Oslo committee described the 61-year-old Hume, leader of Northern Ireland's Catholic Sealed Document and Labour party, as being "the clearest and most consistent of Northern Ireland's politicians and leaders in his work for a peaceful solution." And it praised Trimble, the 56-year-old head of the Protestant Ulster Unionist party—who pursued peace despite deep doubts within his own party—for "great political courage." Hume and Trimble, who will share about \$5.4 million as part of their prize, had been widely predicted to win it. But the Nobel committee did not include a third politician who may have expected to share the award—Gerry Adams,

leader of Sinn Féin, the legal political arm of the outlawed Irish Republican Army.

The two Peace Prize winners expressed hope that they would prove a harbinger of accord in their troubled land. "While we know that we have got the makings of peace," said Trimble, "it is not wholly secure yet. I hope it does not prove premature." Hume's note was more optimistic: "The announcement in Oslo, he told reporters, showed "a very clear and powerful statement of approval for the peace process." The challenge now, he added, "is to harness that universal goodwill for the benefit of all our people, particularly our young people." With any luck, that wish will be borne out as Northern Ireland continues along its troubled road to peace.

Nobel committees in Stockholm also an-

nounced the recipients of the annual prizes in economics, medicine, chemistry and physics, as provided for in the will of Alfred Nobel, the Swedish inventor of dynamite who died in 1896. The winners:

• **Economics:** The prize went to Amartya Sen, a 64-year-old Indian expert on the economics of developing countries whose lifelong concern for the impoverished peoples of the world is reflected in his attention to such issues as famine, poverty, gender inequality and the economics of the family. The Nobel committee said that Sen, who is a professor of Trinity College in Cambridge, England, has introduced tools from economics and philosophy has introduced an ethical dimension to the discussion of social economic problems.

In a milestone work, Sen's co-edited after studying co-edited in Third World nations that families are not necessarily hampered by food shortages, but by rising prices, unemployment and poverty. He also investigated male-female population imbalances in developing nations and, in 1990, estimated that as many as 300 million women were "missing" and presented food—the world's poorest food deprived food and well-earned treatment, education and political and economic rights. Sen's work is "tremendously important," said Rhoda Howard, a sociologist at McMaster University in Hamilton, "because he is an economist who is also a philosopher—and he cares about people."

• **Medicine:** Three American researchers—Robert H. Langer, Louis Ignarro and Dr. Ferid Murad—shared the prize for their discovery that a gas molecule plays a crucial role in a wide range of human physical functions, including the widening of blood vessels. The gas is nitric oxide, a chemical cousin of the addictive nitrous oxide. Besides pointing the way to new directions in heart disease and cancer research, the findings played a role in the development of Viagra, the widely successful tablet that can help men overcome erectile dysfunction. A spokesman for New York City-based Pfizer Inc., which developed Viagra, acknowledged that the scientists' work provided "an important piece of the puzzle our scientists had to put together." U.S. regulators approved Viagra for distribution in March, but health officials in Ottawa have not yet cleared the tablet for use in Canada.

The chain of discoveries began in 1980 when Paracelsus, a pharmacologist at the State University of New York's health sciences centre in Brooklyn, identified a substance he called EDHF that was instrumental in relaxing blood vessel arteries,



Ignarro, Sen (right) breaking new ground in medicine and economics

Ignarro, another pharmacologist who teaches at the University of California at Los Angeles, subsequently showed that EDHF was actually nitric oxide and, in 1986, the two announced at a scientific meeting that the gas was a principal player in warding off the potentially fatal narrowing of arteries that can trigger heart attacks. Murad, a physician and expert in clinical pharmacology at the University of Texas medical school in Houston, concentrated on determining how nitric oxide relaxes blood vessels by increasing the flow of a substance called cyclic GMP.

between proteins and molecules. Peptide, who teaches at North-western University in Evanston, Ill., was cited for developing a computer program used at universities around the world to simulate chemical reactions.

• **Physics:** Two Americans—Robert Laughlin and David Thouless—shared the prize for discovering that electrons in strong magnetic fields and low temperatures can condense into new subatomic particles. Laughlin said the finding was important because "it has to do with why the universe is the way it is."

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Fear and loathing

A brutal murder raises concerns about violence against gays

BY SHARON DOYLE DRIEDGER

The throng is sadly ironic. This is Gay Awareness Week at the University of Wyoming. But instead of launching a celebration of their sexuality, student organizers are confronting the reality of rampant prejudice and anti-gay violence. Matthew Shepard—a bright, 21-year-old student who helped plan the event—was dead, brutally the victim of a vicious attack by two young men with a hatred for gays. His parents, Dennis and Judy Shepard, buried their murdered son's battered body—with no scratched skull, lacerations and burn marks—on Friday. The extreme brutality of Shepard's death led some gay leaders to view him as a martyr and a symbol for their cause, but his father insists a plan to let his son rest in peace. "We should not use Matt to further an agenda," Dennis Shepard told SILL. The death touched gays and lesbians across the continent too deeply to be ignored or forgotten. "I feel at risk," says Ronan Macgregor, a 20-year-old University of Toronto student who has had several frightening encounters just walking down the street. "It's really scary," he adds. "I know it was Wyoming, but it could have happened to me."

Hundreds of gays and lesbians attended vigils across the United States and Canada, lighting candles in memory of Shepard. "We want to pay our respects to a fallen comrade and to remind people that Matthew Shepard could have been in Edmonton or any other place," says Fred Dickert, a spokesman for the Gay and Lesbian Community Centre of Edmonton, who helped organize a demonstration in his



Shepard's accused assailants, right is Dolan, Cole (right) hundreds pay respects

been attacked in Canada, she says, his brother could use the so-called homosexual panic defence. "I can show that I killed because I was provoked to such a degree that any ordinary person would kill someone," says Fladby. "Then I could have the charge reduced from murder to manslaughter." That would reduce a sentence from 25 years to just a few years. The victim does not have to have assaulted the attacker for the defence to be invoked. "If some other man simply comes up to you and you are no replacement you fly into a rage and kill him," she says. "You may have your charge reduced." The section was used successfully in a 1985 case in British Columbia when a man who visited a gay bar went to a gay man's home with him, then stabbed him 40 times after he left the shower.

While Fladby and fellow activists lobby the government to eliminate the law, others feel increasingly threatened by the anti-gay

city. "Gay-bashing happens here frequently." No one keeps an accurate count of how many gays and lesbians have been assaulted or threatened in Canada. But "it happens regularly," says David Pepper, director of community development with the Ottawa-Carleton Regional Police. Numerous children and teens, he reports, are forced to switch schools to avoid violent attacks. The smug, Pepper notes, is that the last person assaulted by a gay baster in Ottawa was not even in his journal. Alain Brasserie was singled out as a 1980 victim because he was walking through a park known as a gathering place for gays. "Only five to 10 per cent of the crimes are reported," says Pepper. Why don't more gay and lesbian victims go to the police? "Because," he acknowledges, "they would be reporting to an institution that has been hostile to them."

There is some documented evidence of an increase in anti-gay incidents. Karen Baldwin, coordinator of the victim assistance program at Toronto's 509 Church St. Community Centre, ran two brief local surveys in the summers of 1987 and 1988 that showed a doubling of the number of assaults in a single year. Baldwin says the attacks also got more severe. "Two were lucky they didn't have permanent penile damage," she says. "This summer's rise in assaults was echoed in New York and other places. This is a backlash."

But how could it happen in Canada, in the 1990s? After all, unlike the United States, Canada's anti-crime legislation does include homosexual acts. And two years ago, the federal government amended the Canadian Human Rights Act to offer farther protection to gays. But many gays and lesbians remember how hard they had to fight to achieve those gains—and how much resentment still lingers. "Blatant power and in the Delwin Virell case," says Dickert, referring to the Edmonton teacher's celebrated legal response to being fired on the grounds of sexual orientation. The Supreme Court decided in his favor April

In Vancouver, lawyer and lesbian activist Barbara Fladby is outraged that Canada's Criminal Code still contains a section allowing gay basters to obtain some leniency if Shepard had

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JUSTICE

statements of some religious and family rights groups. "When people say, 'Gays are harmful to hell' or 'Gays are unnatural, that has no impact,'" says Baldwin. "People with hateful ideas get legitimacy, so they create until they find a hate guy, take out their frustration and feel they are doing society's work."

But Brian Ranshield, executive director of the Canada Family Action Coalition, a conservative political action group and one of the organizations that angers gays, draws any link between violence against gays and their stand against homosexuality. "Certain by no attack on any human being is unacceptable," says Ranshield. The problem, he adds, is that North Americans live in a violent society. "We see daily evidence of hate crimes, not just against gays, but in families, against Christians, against Muslims, against Jews." The Canada Family Action Coalition does not consider homosexuality evil, Ranshield says. "It is not a moral viewpoint of right and wrong," he says, but a conviction "that that kind of sexual behavior has destroyed people. It is not a natural expression of human sexuality."

Whatever its source, anti-gay prejudice and violence remain embedded in North American culture—often where it is least expected. "The typical offender was 17- to 20-year-old white male, living in the suburbs," says Pepper. Most, he adds, do not have a criminal record. They usually like Shepard's teachers, going up on a lone gay David Ray side, a gay political science professor at the University of Toronto, recalls the reaction to the murder of a Toronto librarian, Kenneth Zeller, in 1985. "Obscene comments on how 'innocent' the killers were," he says. "That gives an sense of how legitimate it is to be anti-gay. A lot of young men in high school seem to have to prove their masculinity, and one way to show they are masculine is to be anti-gay."

Despite the noise, the U of T Missions does not regret his decision many years ago to live an openly gay lifestyle. "I would have been miserable in the closet," says the sociology student. Baldwin, too, dismisses gays against retreating in fear. "That's the purpose of hate crimes," she says, "that you don't have the right to your space and freedom. There are not just to inflict pain on an individual, but to give a message to the wider community that you don't belong." Some gays and their supporters see positive signs amid the hail of threats and violence. One is the growing, if fledgling, trust between police and the gay community. Several Canadian cities have set up hate-crime sections and initiated public education programs. "A lot of these initiatives are paying off," says Pepper. "We are seeing an increase of confidence in people to report crimes. Education is making a difference. But progress is still not just slow—it's gradual." □

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Playing fast and fun with past events

With more than a million copies of his novels in print in 14 languages, **Greg Gervid Roy** is a literary star in his genre—or if he doesn't have a satisfactory cause for what he does. Call it fantasy history, says the 43-year-old author, whose six novels have all been critically acclaimed best sellers, "for want of anything better." Roy's sprawling, operatic books are set against recognizable historical backdrops—the early Byzantine Empire in his new novel, *Sealing in Sarcophagi*—but he adapts nothing more than the general culture of his settings. Everything else—clans, religions, geography, even the chronology—is altered.

Born in Weyburn, Sask., Roy was educated in law, though he has never practiced. After being called to the bar in 1986, he became a writer for CBC Radio's *Solids of Power* before turning to fiction full-time eight years later. He now lives in Toronto with his wife Laura



Roy: "I don't want to write on the back of a real person"

and their children Sam, 8, and two-year-old Matthew. His creative style allows him to score his stories where he likes, collapsing events separated by centuries in "real" history into a single era. At the same time, Roy is happy to avoid revealing facts about historical figures. "I lack the utter omniscience some writers have—I don't want to write on the back of a real person," he says. "That smacks of hubris." His style also prevents him from mixing the same fictional world in novel after novel, what Roy calls the fantasy writer's "late-in-life tendency" to tie the loose ends together. "I laid my rule to about me if she ever sees that," says Roy. "It will be obvious that someone will have descended."



Thoroughly modern

As a child, **Gaëlle Laurin** couldn't seem to sit still. "I was very active," the well-known Quebec choreographer says with a laugh. Laurin is still in constant motion—either touring the world or developing new works for her renowned contemporary dance company, O Vertigo. The Montreal-based company is on the saddle of a five-city North American tour with stops in Vancouver this week and Toronto in mid-November. Among the works being performed is Laurin's *Les Sûrs* (The Best Withers), which *The New York Times* described as "a glorious mess"—an accolade that draws a broad smile and a nod of agreement from the petite 40-year-old.

Growing up in the Le Gardeur suburb of

Montreal, Laurin trained as a gymnast before studying classical ballet and modern dance. In the 1970s, she apprenticed with Les Grands Ballets Canadiens, and became a member of the Groupe Neorealist, one of the first Montreal-based contemporary dance companies. A sought-after dancer, she began creating pieces as an independent choreographer before founding O Vertigo in 1984. Her early gymnastic training left its mark on her work, which is known for its acrobatic leaps and innovative style, performed by the 10-member troupe. But Laurin, who is separated with three sons ranging in age from 8 to 21, insists her choreography is evolving and has become less physical. "I think more and more my dance has become more nuanced, subtle and soft," says Laurin. And just as eagerly



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Books

All in the family

Timothy Eaton sowed the seeds of destruction

**THE EATONS:
THE RISE AND FALL OF
CANADA'S ROYAL FAMILY**
By Rod McQueen
(Shedden, 290 pages, \$32.95)

Fear of the adage that every man carries the seeds of his own destruction, look no farther than the Eaton family. Although the founder of the legendary Canadian department store chain, Timothy Eaton, was an innovative, disciplined businessman, many of the traditions he established for the firm contributed to its downfall four generations later.

For many Canadians, the T. Eaton Co. Ltd. has a special significance: the store and the family had a strong national presence. Author Rod McQueen does a superb job of linking the family's history to life and telling the story of Canada's socio-economic evolution. His portrait includes a great dialogue of society going from the past and present—although little of that concerns the founder of the dynasty. Timothy Eaton was an Irish Protestant immigrant who strongly believed in "democracy and a Christian character." After opening the first Eaton's store in Toronto in 1869, he expanded it, using a catalogue to reach rural customers and manufacturing his own product lines. Timothy developed a paternalistic bond with employees: he held staff parties, and sponsored a sick fund, sports teams and summer camps. A hands-on manager, he set the youngest of his three sons, John Craig, to work at the store at age six.

But Timothy Eaton was also an enthusiastic consumer of luxury goods. As his store prospered, he acquired mansions, yachts and summer houses. John Craig Eaton remembered that family trait: he was the first Canadian to own a Rolls-Royce.

John Craig was far less austere than his father. He enjoyed drinking, socializing and spending the family's fortune. By the First World War, John Craig was wealthy enough to donate a warship and to sponsor the Eaton-Maclean Gun Battery. For service to the Empire, he was knighted.

Under his management, Eaton's expanded into Winnipeg and Montreal. By 1939 the business employed 25,000 Canadians and received the first of several failed efforts to nationalize its work force. When he died in 1933, an Irish cousin ran operations until



John David (back row) and clan in 1945: a reluctant heir

John Craig's sons were old enough to take over. During that period, his widow, Florence, Lady Eaton, the most colorful character in the family, also kept a keen eye on business. The dowager grieved for Eaton, she was renowned for her outspoken views and flamboyant style. Adorned in ostentatious plumes and pink mittens, she regularly inspected shop floors. But in spite of her control over the business, she was opposed to women's suffrage; he believed that better "should remain feminine and not try to compete with men."

Austerity in 1933, there were signs of decay in Eaton's: the chain's outdated catalogue, home delivery system and credit arrangements all lagged behind its rivals. Its paternalistic approach led to labor tensions, as did its failure to bring policy to reflect changes in Canada's population. "Medocrity was not only permitted," writes McQueen, "it was almost exhibited." John David, John Craig's son, who became president in 1942, person-

ified fast modernity. He was a reluctant heir, despite father and family tradition. That did not bode well for the family's sprawling business. By the early 1960s, Eaton's employed 45,000 people and had 56 stores. But, its share of domestic department store sales was down to 20 per cent, a decline of 11 percentage points from a decade earlier. And its failure to adapt to changes such as the advent of shopping malls, discount retailing, extended shopping hours and computeriza-

tion took a heavy toll.

By the time John David's four coxswain sons (occasionally referred to as "the boys") ascended to senior positions in the 1960s and '70s, Eaton's was punished by a lack of vision, decentralized operating structure, growing bureaucracy and entrenched arrogance. Notes McQueen: "The T. Eaton Co. was an anachronism in the late 1960s." Distracted by their social lives, homes, race cars and other diversions, the family left management of Eaton's to the family's reformer, George. The catalogue was killed in 1975. While they lured and then ignored the advice of focus groups, Eaton's drifted in red ink. Starved of capital, the stores became shabby and inventory levels declined, leaving consumers with reduced choices.

That left the business vulnerable to competition from American retailers like The Gap, Target's and Wal-Mart, who needed

Canada's store the advent of free trade with the United States. The dramatic recession of the early 1990s weakened cash flow and caused a credit crunch. After years of rumors about financial distress, Eaton's went public with its woes in early 1993. It sought bank support from creditors and began a process of restructuring that culminated in the hiring of experienced outsiders, the closure of 21 Eaton's stores across Canada and the sale of public equity in the company.

Today, concludes McQueen, the future for the once-time royalty of Canadian retailing is not bright. "The Easons deserve no more respect than were old, down on their uppers, who had together a fine guest house of his modest mansion in order to maintain the sorry rest in some semblance of respect. They well-worn, carefully researched captions, on the other hand, in both orders in its focus and extremely well-constructed

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Lives of the sinners

A veteran novelist continues to explore a richly layered society

BY JOHN REMROSE

David Adams Richards stares out the window of a trendy Toronto eatery, watching a homeless person as he bends over the base of a tree. The man is carefully scooping a hole in the dirt, apparently in order to hide the two large, neatly tied packages resting nearby. What the homeless person is anyone's guess, but it is obvious that they are as important to him as the contents of any safety-deposit box. Richards seems mesmerized. Far from the rural New Brunswick that is the setting for his celebrated fiction, the writer has found someone who can't easily be a character in one of his own books. In some novels, including his latest, *Day of Love and Sorrow* (McClelland & Stewart, \$29.95), Richards has explored the lives of so-called marginal people, often showing that they harbor more nobility of soul than their social betters.

Richards is living in Toronto these days, which may count as a surprise to anyone familiar with the deep roots he has in the west. He has spent almost all of his 48 years in his native New Brunswick and until recently, owned a small fishing and hunting camp there. In fact, with his plaid shirt and freckled shadow, he still looks like someone who would be far happier mending a salmon netter than ingesting a menu in which a venison chicken sandwich is hard to find. But having spent several decades shifting restlessly between various New Brunswick locations, Richards and his wife, Peggy, decided last year to move, as he puts it, to "the only Maritimes home to live in." In Toronto, Richards explains, he is closer to the "thrill-fantasy" for which his series across the west, a 1996 *Grand* for a TV adaptation of his haunting, 1983 novel, *For Those Who Abandon the Blooded Dead* while Peggy is closer to three sisters who live in southwestern Ontario. The writer has even found reasons to like Toronto: "There are a million bits of parkland and I know they're parks," he says almost apologetically, "but they have some wonderful reviewed and wooded areas."

Toronto, it would seem, has not hurt his writing. *The Day of Love and Sorrow*—which he completed after the move—is a superb achievement. Set in a fictional New



Richards writing about the so-called marginal people

Brunswick himself in 1974, the book skillfully combines a host of bits of a thriller with Richards' trademark ability to raise a tale with poignant moral questions. At its centre is a murder that implicates people from a wide spectrum of society—and particularly Michael Skud, an epistolical judge's son who spends a dangerous summer associating with Executive Hoch, a charismatic local part. Richards himself uses the novel as fuel for an ongoing examination "of power and the glamour of power—how people like Michael succumb to it or don't succumb to it." In the end, Michael's flirtation with evil proves ruinous for several characters, and moves the novel into a complex, almost Dostoevskian investigation of the nature of guilt and redemption.

Throughout his 25-year career, Richards' fictional vision seems to have been inspired by the old shipping town of Newcastle, on the Miramichi River, where the author was born in 1960, the third of six children. His father, William, ran the local movie theatre. His mother, Margaret Adams, lost at her

brothers, Richard Adams, a world famous author, died gradually, had a bad fall when she was seven months pregnant, and Richards was born with brain damage that prevented him from walking until he was three. His left arm remained bent and useless until, as he says, "I worked it out when I was a teenager."

Richards is reluctant to say that the sense of tragedy that pervades his novels has anything to do with his injury, but he admits his misfortune may have helped shape his novel's eye. "I was a haunted hockey and boxing fan, but I just didn't have the coordination to play. So I became more of an observer. I think that helped me later as a writer."

When he was 14, Richards received a copy of Charles Dickens' *Oliver Twist*, disappointed by the lack of pictures, he left it on his bedside table. Months later, he happened to knock it off. The book fell open and he picked it up and began to read. "I know of sounds hockey," he says, "but by the time I was halfway through I'd discovered how wonderful literature was, and I'd discovered I wanted to be a writer." Dickens' novel was a fortunate find in other ways. In figures such as the miserly Mr. Squeers, his grotesque girlfriend, Nancy, and the book's various middle-class characters, Richards found a mirror for the repressed society around him.

"Our family was friends with the local MP," he recalls, "but we also knew the prostitutes who worked for the ships to come in, just four blocks from us." He was also aware of other poor residents of Newcastle living in makeshift houses with no heat. "The last thing I ever wanted to do was to turn my back on the suffering of these people I saw as a child," he says with feeling. "In a way, my work is for them."

Years later, Richards would bring an almost Dickensian social depth to his own novels, with a special concentration on the lower classes. But first he had to work his way through a long apprenticeship ("bad poetry, bad stories," he says wryly) and get an education. After high school he enrolled in Saint Thomas University in Fredericton, but just past three credits short of a degree in English because, by then, he had fully committed himself to writing novels. He had completed his first, *The Gaining of Winter*, as an undergraduate. It was published in 1984, and six years later the State Publishing Agency of the USSR bought the language

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able set in the Mississippi Valley. It reached an estimated 350,000 Russian language readers, and provided some respite from the poverty Richards and Peggy Owen encountered, they had married at 20) were enduring as part of the artistic life. "Peggy was selling Arseny, and I sold the car to pay the rent," he recalls of one period in the '70s. "One year I earned \$575.34."

With the publication of his third novel, the expensively bric-a-brac *Lanes of Short Duration*, in 1981, Richards had both achieved on financial terms and come to the end of a certain way of writing. In his 1985 novel, *Road to the Soft Flame*, he tried out a new, more compressed and incisive style he would eventually call "austere realism," contrasting the experience with his next book, *Night Before Shadow Street*. Part way through the writing of that novel, he suffered a crisis of confidence. "There had been a kind of conscious discrediting of my work by certain people, certain critics, and it had finally gotten to me," he remembers. "I said to Peggy, 'The hell with it. I'm not going to do this any more.'" But he eventually went back to his novel, and, in 1988, *Night Before Shadow Street* won the Governor General's Award.

Since then, Richards has published four more novels, including the winning *For Those Who Hunt the Wounded Deers*, about a celebrated backwoods criminal called Jerry Bacon who becomes a politician, at most mythical presence. Richards has also written three non-fiction works, the most recent his graceful fishing narrative, *Lanes on the Water* (1995 from Argos/ABC screens). *Small Gifts* won the Best Short novel at the New York International Film Festival. He is currently looking his way into a new novel, a process that can often seem to be going nowhere. He says he spent 14 months researching *The Day of Love and Sorrows*, until finally he found the right narrative line, then he finished the book at a hectic work pace in half a year.

In other areas, Richards has definitely slowed down. After spending his 50s as a heavy drinker, he has given up alcohol entirely. And he no longer hunts. "After I shot my last buck eight years ago, I thought, 'That's it, I don't need to do that any more.'" In Toronto, he and Peggy rely on seeing a lot of movies, and walking their dogs. There's a definite "poli factor." And the author of novels in which the workings of conscience play a major role, pauses before adding, "And that's the way it should be." □



Mulroney arriving court in 1996; still arriving force negative passions across Canada

Victim of antipathy

The Airbus affair—from Mulroney's point of view

PRESUMED GUILTY: BRIAN MULRONEY, THE AIRBUS AFFAIR, AND THE GOVERNMENT OF CANADA

By William Kaplan
(McClintock & Stewart, \$25)

Perhaps some day, Canadians will forgive Brian Mulroney dispassionately. But more than five years after he resigned as prime minister, that time still seems far away. The Progressive Conservative party he led to successive majority governments remains in tatters. And although Mulroney, while travelling frequently abroad, rarely leaves Montreal for other parts of Canada, he still arouses fierce, negative passions across the country.

Perhaps it was that antipathy that led the federal government to believe it could say almost anything about Mulroney—an attitude which led to some of the most shameful incidents affecting a private citizen in memory. Now, William Kaplan, an Ottawa-based author and lawyer, has worked into that pastime with *Presumed Guilty*. Brian Mul-

roney, *the Airbus Affair*, and the Government of Canada. It relates the romance in which the Justice Department and Royal Canadian Mounted Police, relying on what seems to have been little more than misadventure, second-hand allegations, declared that Mulroney, while prime minister, joined in a scheme to "divulge the Canadian government of millions of dollars of public funds." During that process, the Justice Department and RCMP were not discouraged by the rising Liberal and, more shrewdly, socialist, may have been encouraged by senior members of the party to proceed. Fifteen months after the claims against Mulroney were made in a letter to the government of Switzerland, the federal government publicly apologized to him and agreed to pay all of his legal expenses and other costs at least to the tune.

The dark jacket of *Presumed Guilty* describes the book as "a full and objective investigation" of the case. Kaplan, who had met Mulroney only once when he proposed the book, has written a comprehensive, exhaustively researched book. It

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BOOKS

was given full access to Maloney's files and interview him at length.

The result is a look at the case largely from Maloney's perspective. Not, as the saying goes, that there is anything wrong with that. The story of how one man—even an exceptionally well-to-do, resourceful and well-connected one—can stir an entire government is well worth telling. And the actions of the Justice Department, which refused to back off even when it became obvious it had a case worth spe-

ing, remains baffling and underivable. For these reasons—and as a cautionary tale of government-run roughshod—*Possessed* gets high marks. Still, it is flawed by Kaplan's willingness to toss off sweeping judgments about incidents and people. The author drowns several pages in Maloney's friendships and previous international acquaintances, such as his good friend George Bush. Then, however, Kaplan writes that "no one had put Maloney on these boards because of his be-

cause was." To suggest that Maloney has not—on a legitimate basis—been admitted among the acquaintances he made while in office is naive and patently silly.

As well, Kaplan routinely accepts Maloney's not-altogether-welcomed view of the world with dubious results. Kaplan asks how author and *Mariners* contributing editor Steve Cameron's best-selling 1994 book, *On Air*, depicted Maloney and his wife Mita as "mean-spirited, grasping, arrogant, ostentatiously snubbing in history at someone else's expense." But Kaplan takes at face value Maloney's assertion that he did not see Cameron because there was nothing in it that touched him. Maloney and his friends, however, have always made much of his willingness to fight for his honor. Kaplan, in straightforward words that sound as though they were lifted directly from Maloney, writes: "Put Maloney in a corner and he'll fight back. Kick him in the head, and he'll kick you in the nuts." So why did Maloney really take an action against a book that caused such damage to his image? Perhaps because, although Cameron's animosity towards Maloney is palpable, her book was carefully layered before publication, and there is no certainty that Maloney would have won a libel case.

Perhaps the most fascinating aspect of *Possessed* gets left in the end, by one aspect of the Airbus case that is ongoing: the debate over how the media covered Maloney during his years in power and, particularly, in the Airbus case. On this, Kaplan makes another sweeping judgment: the media "represented his good, and the bad, as accurately, initially at least, directed the way they covered the story. The vilification industry began before Maloney left power, and the campaign of innuendo, half-truths, and rumors accelerated after the Liberals returned to power."

Those sentiments have at least one powerful political advocate. In a glowing review of Kaplan's book recently published in major Southern law newspapers, *Canada Black*, the chair's chief executive officer, extolled the performance of Southern newspapers at the time—which was before he took local-interest interest. "Most of Canada's media journals exhibited in the case of Maloney," wrote Black. That is strongly debatable. Maloney is not alone in accusing the Ottawa press gallery of biased coverage; every press member in recent years has done the same (with the exception of Pierre Trudeau, who simply ignored reporters). And the media can hardly be blamed for covering a case involving such unprecedented allegations about a former prime minister. In any case, Kaplan's book may well be the first step in the rehabilitation of Maloney's image.

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Books

Batsle: a master
of evoking the
history of memory
and the present



Earthly healing

A heroine seeks redemption in the natural world

THE GARDEN OF EDEN

By Sharon Batsle
(Norton/Penguin, 267 pages, \$25)

In her best-selling 1994 memoir, *The Porch of the Morning*, Sharon Batsle wrote memorably of her life on a Saskatchewan farm, where loneliness led her to a deeper intimacy with nature. It is hard not to think of this book while reading Batsle's ambitious sixth novel, *The Garden of Eden*. Exploring many of the same themes as her non-fiction masterpiece, the tale takes place in a more complex setting that stretches from the community halls and farm kitchens of rural Saskatchewan to the redneck camps of Ethiopia. It is as if, having established her core beliefs in *The Porch of the Morning*, Batsle now wants to test them in the wider world.

Her novel's main heroine, Iris, is (like Batsle herself) a middle-aged farmer's wife. After her husband's death, Iris finds herself confronting a lot of unfinished emotional business from the loneliness of her marriage to her guilt at having abandoned her mother to an elderly house. Then there is her niece, Lucette, whom Iris raised after Lucette's birth mother died. Afflicted with feelings of worthlessness, Lucette has escaped to Ethiopia to work with refugees. Troubled

by Lucette's silence, Iris tries to find her. Batsle is certainly capable of writing an action scene—early in the novel, there is a gripping description of Iris wading in a swollen river in search of her husband—but she is more interested in recreating the complexities of experience, the interplay of memory and the present. One of the book's finest achievements is the way it weaves details from the natural world into the lives of its protagonists, so that the flight of a bird, the smell of soil, become an integral part of their thinking and feeling. For Batsle, nature is obviously the fundamental ground of human life.

This theme takes dramatic form when Iris decides that, rather than sell her land to a small agricultural company, she will try to replant it with native grasses—and so make amends for the years as soil has been abused with chemicals and monoculture farming. Many of her neighbours ally her for her plan, but by now Iris has seen the light and is antipathetic. *The Garden of Eden* ends in a flurry of recollections and tying up of loose ends. It is all, perhaps, a bit too sentimentally hopeful, but the voyage to that point has been, for the most part, a pleasure.

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Films

Straight arrow

William H. Macy's act is simple honesty

It is some may not ring a bell, but he has an intriguing little fact. In *Pumpkin* (1990) he was Jerry Landman, the flustered car dealer scrambling to cover up his wife's kidnapping. In *Seize Night* he was Little Bill, the married husband of an oversexed porn actress. In TV's *S.A.* he was the beleaguered Dr. David MacGregor. And in his new movie, *Planesville*, he is George Parker, the archetypal wisecracker who loses his grip—a "Honey I'm home" hubby in a *Films* subplot licensed to find that his black and white world is turning to color (page 94).

William H. Macy tends to play straight-arrow guys who become disillusioned, clinging to their shrinking sanity as they become overwhelmed by events. He has a face that invites a grin—deeply, with squinted-up features and blue, wrinkled eyes that make him look painfully human. It's hardly the face of a mafioso idol, but "I'd rather be a character actor than a movie star," Macy told *MovieWeek* in a recent interview. "I feel I get paid for acting. If you're a movie star, you get paid more for your personality. I don't always have to look good. I don't have to be nice. Perhaps because I'm 5'8" and look more like Howdy Doody than Tom Cruise, I love playing the Everyman."

Macy, 48, was born in Miami and raised in Georgia, the son of an insurance agent. He had a thick southern drawl that he changed out after moving to Maryland and discovering the theatre. "I was the college youth," he says about his early roles. "Every time I did a play, I ended up bent up and weeping. That lasted for about 10 years."

The actor studied with director-playwright David Mamet and helped him form Chicago's groundbreaking St. Nicholas Theatre in the 1970s. He performed in Mamet's plays and in several of his films, including *Glengarry Glen Ross*, *Heaven and Hell*, *Die Hard*, *Missing Mamet* was "the normal moment" in his life, he recalls. "He was the guy who said, 'You know, it's an honorable profession. The world needs actors.'"

Macy, who is married to fellow actor Felicity Huffman, maintains there is no great mystery to his craft. He conveys vulnerability simply by being honest. "My approach to acting," he says, "is to strip away as much of the character as possible, just look at the other person and tell the truth.

Character is just a big bit of trick that we play on the audience. And they're desperate to go along with the charade. If I'm playing the King of England, you just go along with me. If I'm the King of England, and they go 'Macy! They're there. You don't have to do anything.'"

In his self-effacing way, Macy has become a contradiction in terms: a famous character actor. And he finds being surrounded a mixed blessing. "People staring at you is people staring at you," he says, "whether it's because you have some sort of celebrity or whether you've got a huge hole in your trousers. It can get exhausting." But then he adds, "I find it very fun. I'm the luckiest person, and I thank God for

my good fortune." Besides, it could be worse, much worse. He could have ended up like one of his characters.

BRIAN D. JOHNSON



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Terminal happiness

Three movies take a look at the illusion of blissful endings

Happiness. In the Films, with the dream of the idealized dream, we were led to believe that it was universally attainable, and affordable. The beautiful car, the perfect wife, whole neighborhoods of harmonious families tuned in to *Good and Beautiful*—happiness was sold to the North American middle class as a kind of permanent shelter. And ever since, it has been hard to completely shake the idea that a happy life is a commodity that can be acquired, conserved and insured against loss—even if the stakes have been decreased in the '90s, from dreams of domestic bliss to a Postmodern absence of depression. In the movies, of course, people still buy into the chance of happy endings. But they are so full of suspicion. And in three new films about this work, happiness itself is portrayed as a kind of terminal condition, a pathology.

In *Last Night*, by Canada's Dan McKellar, the whole notion of a happy ending takes on a tragic absurdity as various characters discover that their personal, practical, emotional and the future belong to the world comes to an end. In *Happiness*, an ironically dark comedy from American director Todd Solondz, the film serves as a crassly comic comment on the lives of characters who are deeply misguided by their desires. It is, hands down, the most provocative movie of the year. And in *Pleasantville*, a Hollywoodable renaissance of *The Truman Show*, a community frozen in the ritual ploys of a 1950s sitcom gains hope, with color being



Brian Johnson

gives a hint into his black and white world. *Last Night* turns the disaster clock forward, just once. After a summer in which two asteroid movies promised the end of the world, these destroyed just a few cities. McKellar's low-budget feature debut does not chicken out: It delivers the apocalypse. But there are no fiery special effects, no here to punch the lights out of *Armageddon*. And the director's script does not own try to explain why the planet will be annihilated at midnight—though, with the sun shining low into the evening, it seems that something is afoot in the heavens.

Set partially in Toronto, the story begins



Sandra Oh in *Last Night*, resigned to fate in the final hours before the apocalypse

just hours before the final countdown. Several months have passed since doomsday was first announced, and people are now relying in the streets, checking on the midnight hour. And Craig (Colleen Keith Revere) is desperately working his way through an agenda of sexual acts that he is determined to experience before the end. Renée (Sandra Oh) is a nurse, and people are now relying in the streets, checking on the midnight hour. And Craig (Colleen Keith Revere) is desperately working his way through an agenda of sexual acts that he is determined to experience before the end. Renée (Sandra Oh) is a nurse, and people are now relying in the streets, checking on the midnight hour. And Craig (Colleen Keith Revere) is desperately working his way through an agenda of sexual acts that he is determined to experience before the end.

As an actor, McKellar has a reflective style. He likes to try to find the end point of the journey and then act. And as a director, he employs the same hitting, emotional cadence. The effort can be wonderfully disarming, as in a scene where his character encounters his old French teacher—an aged beauty played with exquisite manner by Genevieve Bujald. While he sarcastically lapses into schoolboy French, she plays along with a sexy, maternal aware face. McKellar's art here is also a beautiful reminder, putting what is left of the world in perspective. "Cars are another big disappointment," he mutters. "They should

have a lift across town to kill a suicide pact she made with her husband. Meanwhile, Patrick's sister (Sarah Polley) is partying in the streets, checking on the midnight hour. And Craig (Colleen Keith Revere) is desperately working his way through an agenda of sexual acts that he is determined to experience before the end.

Renée should steal the movie. Arguably Canada's most charismatic young actor, he brings a crackling energy to the role of the hot-wired, yet oddly sensitive, Cosmo. Sandra Oh, her face a tragic mask, shoulders the weight of the movie's emotion with an intense, tearful performance. And in the role of Patrick, McKellar plays the imperfect host, a misanthrope whose grief we had no reason to suspect.

As an actor, McKellar has a reflective style. He likes to try to find the end point of the journey and then act. And as a director, he employs the same hitting, emotional cadence. The effort can be wonderfully disarming, as in a scene where his character encounters his old French teacher—an aged beauty played with exquisite manner by Genevieve Bujald. While he sarcastically lapses into schoolboy French, she plays along with a sexy, maternal aware face. McKellar's art here is also a beautiful reminder, putting what is left of the world in perspective. "Cars are another big disappointment," he mutters. "They should

have gone further than this. Why do they all always come to the shop? Why do they make a car with a new make factor?"

But the humor is a desperate. And as tragedy takes over, the drama has surprising power. Despite appearances, *Last Night* is not just another self-conscious Canadian film about alienation and repressed desire. It has a shocking innocence, and in the end it is extremely moving. Working out the world with poetic flash: McKellar's comes cinema's two most loaded images—the gun and the kiss—with a romantic conviction that is breathtaking. There is no going away the ending, it could not be more inevitable. But that makes it all the more powerful.

Happiness offers a more cynical, and disturbing, portrait of losers looking for a silver lining in life's straightjacket. If *Last Night* is a comic tragedy, *Happiness* is a tragic comedy. And although it is not about the end of the world, its vision of people wallowing in self-loathing and hope seems even bleaker than global destruction. But *Happiness* is no humor. It is a deftly subversive and wickedly funny satire. Part of it is also dramatic, and shocking—a series of candid discussions about sex between a child-molestering psychiatrist and his 13-year-old son.

Such taboo-busting material prompted the film's original U.S. distributor, October Films, to abandon it on the orders of its parent company, Universal Pictures (a snail-er distributor, God Machine, picked up the rights). Meanwhile, the movie has received widespread acclaim, including the International Critics' Prize at the Cannes Film Festival last May, and journalists attending the Toronto International Film Festival last month voted it their top pick with the Movie Month Award. Pushing the envelope of adult politics, *Happiness* has created the kind of sensation that has not been seen since *Sex and the City*.

But there is more to it than shock value. In a year of dark comedies about men being led astray by *How to Succeed in Love* and *How to Succeed in Business*, *Happiness* is the darkest, but also the brightest. Director Solondz, who launched his career with the art-house hit *Wesley* in the 1990s, works on a much larger canvas with *Happiness*. It is a sprawling ensemble piece featuring a dozen characters in a dizzy chain of debased relationships.

Most of them live in a New Jersey suburb

Jay Gurel, an earnest wallflower, has just discovered some girls. The most dramatic scenes are the best. The surreal talk between the pedantic father and his nervous son has horrifying tenderness. When the father confesses to his son, all the accumulated comic energy of the comedy is shattered with tragic, hair-raising force. **Pleasantville** is a much lighter film, a Holly-wood comedy, but it has the same kind of subtextual contrast with its life-like characters stuck in a 1950s sitcom. Once again, the whole town is combined in the "perfect" life, and "reality" ends at the city limits. In this case, however, there is no real, no hidden control room. *Pleasantville* is a phantom world, a twilight zone on the other side of the TV screen.

Courtesy of a diabolical cable guy (Don Knotts), two contemporary teenage siblings (Jacy Maguire and Reese Witherspoon) suddenly find their selves trapped in *Pleasantville*, a vintage series when they fall through the looking glass of their television. Gradually they bring home of color—and such foreign concepts as sex, art and music—to the black and white world. Writer-director Gary Ross's technique of coloring part parts of an image has a charming naivety—and sets up one racial incident when the more conservative townies protest the spread of "colored" people. The movie also features solid performances from Jeff Daniels, as a soda job who discovers painting, Joan Allen, as a housewife who begins her marriage to him, and a poignant William H. Macy as her estranged father, the town's mad scientist.



Scene from *Pleasantville*, protesting the spread of "colored" people

And although Trish severely accommodates a soulless marriage, she has no idea that her psychiatrist husband, Bill (Dylan Baker), is peopling her on their son's circumstances. But he has recurring dreams of painting down innocent people in the park. Soundlike the family circle, the sisters, Jane (Ben Gazzara) and Louise (Laurie Lasker) are going through a bitter separation as the last part of a 1950s romance novel.

There is some icy kindness in *Happiness*—not after the intense high-key play in *Thelma & Louise*. About May 1995, then facing out to be the year that most serious movies

have discovered serious gaps. But the most dramatic scenes are the best. The surreal talk between the pedantic father and his nervous son has horrifying tenderness. When the father confesses to his son, all the accumulated comic energy of the comedy is shattered with tragic, hair-raising force. **Pleasantville** is a much lighter film, a Hollywood comedy, but it has the same kind of subtextual contrast with its life-like characters stuck in a 1950s sitcom. Once again, the whole town is combined in the "perfect" life, and "reality" ends at the city limits. In this case, however, there is no real, no hidden control room. *Pleasantville* is a phantom world, a twilight zone on the other side of the TV screen.

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Scene from *Pleasantville*, protesting the spread of "colored" people

while Bill (Dylan Baker), who has scripted such a bliss as *Big and Small*, seems trapped in his own Hollywood fantasy. The color revolution that infuses the town with such liberal promise turns out to be only slightly less well-meaning and brutal than the black-and-white version. *Pleasantville* is a bit like *Witness* from *My Cousin Vinny*. The current film, *Witness* is a comedy about the afterlife—portrayed as a kind of computer-generated psychodrama. *Pleasantville* is a very better movie. But in pleasant fantasy never replaces one of those terminal happiness with another. ()

FAIlan Fotheringham

All hail the return of Liberal arrogance!

It's always the little things in politics that count. The angling, overlooked, unnoticed, unnoted things that somehow turn into something bigger.

Richard Mason, at the time, dismissed the Watergate break-in as "a third-rate burglary" and thought he could get on with life. Harold Macmillan's Conservative government was brought down by the secret fact that a junior minister named John Profumo had had an affair with a girl whose name was Christine Keeler.

The massively arrogant Liberal gang typified by C. D. Howe thought there would be nothing wrong with ministerial (though not cabinet) level officials (that most Canadians had never heard of) such tactics, of course, were duck soup to generation of Liberal cabinets, the Grit being the Natural Governing Party, and the Conservatives that ruled where they could do what they wanted to do, whenever they wanted to do it.

A prime lawyer came to him in that pipeline debate and the Majorist Law of the Liberal front bench crinkled and then fell and John Diefenbaker became prime minister. Bill Clinton, a Rhodes Scholar who had it all—brains, great charm, the aid of the most powerful man on earth, a strong ally who supported him—flew it all away for the sake of a stupid, stupid sexual pleasure with a clerk who was much older than his daughter.

They all find their own way to ruin. But mostly it is because of the unaccountable, secret belief that they can do no wrong because, well, because they have it. John Christian is in that mode at the moment, cocky beyond belief, seemingly shocked that he can be criticized, belittled all who dare challenge him.

Deputy Minister Art Eggleston—another wrecking in Christie's collection of them on his front bench—announced last week that Ottawa will spend \$15 million to build an armory in Shawanigan, which by wild and gross coincidence also happens to be the home town of the Prime Minister.

It's a nothing thing, a piffing \$15 million, which by Ottawa accounts is small change. "What a million?" C. D. Howe the Minister of Everything in the Mackenzie King and Louis St. Laurent



governments, once cited in irritation during a Commons debate. A million is nothing, of course, in the grand scheme of things, just as \$15 million more going into Mr. Christian's riding is a mere bagatelle. It is simply the latest in the boondoggle string of federally financed projects that have gone into the riding of Saint Maurice, where modern power is neither as popular as it is in the rest of the province because of the lack of industry in either French or English and the cold winters. Camp Ojibway, the one major army base left in British Columbia, opened for 50 years on the east coast of Vancouver in the Fraser Valley. The Liberal bought it, Ottawa, for some unfathomable reason (discussed at and transferred to the base in Edmonton).

When a rare Arctic storm left Victoria and Vancouver helpless two years ago it was suddenly discovered the tanks and trucks needed were all sitting in the old Edmonton, rather useless in the emergency. Meanwhile, enough tanks and trucks were loaned to build a \$15-million armory in Christian's riding.

It is the little things that sting. An arrogant Prime Minister who thought a year ago that pepper spray was "a joke" when he first heard about it at a press conference in Vancouver now finds it on the front pages nationally. Stripped naked by Ottawa documents, the Prime Minister is revealed as a neurotic beast who would do anything to persuade the Indonesian that Suharto is strong. The APEC photo opportunities in Vancouver.

Anything to please. Including special provisions to allow the flag's bodyguards to carry weapons previously banned by RCMP regulations. The Prime Minister who still thinks "pepper" is a joke—as witness his "pepper steak" gaffe at a recent Windsor hand-mixing breakfast—apparently won't concede that the biggest joke in the land, the MP from Annapolis called Andy Scott has lost all credibility for now and forever in his cabinet post.

Now there is a new Asia-Pacific Economic Cooperation conference kicking up in Malaysia, from Nov. 14 to 18. In the country where the economic prime minister, Mahatma Mohd. has drawn in jail his opponent Anwar Ibrahim. Muslim battered folk, Mahatma clerics, may have come from self-inflicted wounds. While government troops beat and arrest dissidents in the streets.

The Philippines is expressing hesitation about attending. Even Indonesia, the flag Suharto has long been disowned, is limiting its to the conference over human rights in the East Asian zone. Our Prime Minister? No hesitation at all. Anyone who could put up with Suharto obviously has no trouble putting up with his Liberal. In another great coincidence, the biggest trial in Canada, which will begin on Nov. 22, will be "suspended" from Nov. 14 to 20, when Christian and his fellow ministers will be in town.

Ottawa is silent about Mahatma in Malaysia. Just as it was silent about Suharto in Vancouver. It's the little things that count. They all add up.

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